

5902. By Mr. PHILLIPS: Petition of W. M. Adair, and 488 other citizens requesting necessary action and endeavor in order to keep the Japanese and people of Japanese parentage, who have been removed from southern California, from returning; to the Committee on Military Affairs.

5903. By Mr. HALLECK: Petition of sundry citizens of Kosciusko County, Ind., in opposition to the May bill (H. R. 3947) providing universal military or naval training for all male citizens; to the Committee on Military Affairs.

5904. Petition of sundry citizens of Milford, Ind., and vicinity, in opposition to the May bill (H. R. 3947) providing universal military or naval training for all male citizens; to the Committee on Military Affairs.

5905. By Mr. ROLPH: California Senate Resolution No. 28, relating to the market and price paid for newly produced gold; to the Committee on Banking and Currency.

5906. Also, California Senate Resolution No. 27, relating to continued deferment of boners in meat-packing industry; to the Committee on Military Affairs.

5907. Also, California Senate Joint Resolution No. 1 asking 160-acre limitation be removed in Central Valley; to the Committee on Flood Control.

## SENATE

WEDNESDAY, JUNE 21, 1944

(Legislative day of Tuesday, May 9, 1944)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O God, whose spirit searcheth all things and whose love beareth all things, for this hallowed moment turning from our divisive loyalties and our party cries we would bow humbly in a unity of spirit, realizing our oneness in Thee. In the sincerity and truth with which we deeply desire to open our hearts to Thee, so we would broaden our sympathies with our brothers, Thy other children.

Forgive us for praying that Thy kingdom might come and then, by our own selfish stubbornness, barring the way when it has sought to come through us. Deliver us from the hypocrisy of giving lip service to the golden goals of Thy kingdom as if we looked for it without in others and not in our own hearts. Grant us a fundamental fealty to the common good, expressing itself in divergent attitudes and convictions which are the glory of our national heritage, yet putting above all partisan advantage the weal and welfare of the commonwealth to which we solemnly pledge our supreme allegiance. With the wrecks of nations which have broken Thy law of love smoking in ruins before our eyes, let the purifying stream of Thy mercy cleanse our national life lest our destruction be determined and we go the way of the nations that have forgotten God. We ask it in the dear Redeemer's name. Amen.

### THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the cal-

endar day Tuesday, June 20, 1944, was dispensed with, and the Journal was approved.

### STATEMENT BY OLIVER LYTTTELTON, BRITISH MINISTER OF PRODUCTION

Mr. LUCAS. Mr. President, from the time of our entry into the war and even before I supported measures on the floor of the Senate which I thought were helpful to the people of England in their struggle for liberty. At no time during this world crisis have I ever raised my voice against any military or naval strategy; neither have I joined issue with any man in the diplomatic corps or the Parliament or any man high in public life in England upon any statement that has been made. In fact, what I have said has always been in praise of the English people in their battle against tyranny.

But, Mr. President, sometimes circumstances alter all occasions. On last evening when I read in the press the statement made by Oliver Lyttelton, the British Minister of Production, I confess that I was not only shocked but greatly disappointed to learn that a man standing so high in the official life of Britain could make such a miserable mistake.

Oliver Lyttelton, in speaking before the Chamber of Commerce of America, said in his original remarks that—

Japan was provoked into attacking the United States at Pearl Harbor. It is a travesty on history ever to say that America was forced into the war.

Mr. President, regardless of any correction or additional interpretation, regardless of the fact that Mr. Lyttelton may say that what he said was a matter of expression and not of intention, the original words will cling to all peace-loving Americans as one of the most incredible and stupefying statements that have been uttered by any man high in public life of the Allied Nations. Anyone who has the slightest knowledge of oriental history knows that Japan deliberately prepared herself for world conquest. She planned to attack this country and did, just as she planned to, and attacked other countries in the past. She knew that under no circumstances would we make unjustifiable concessions to her in the southwest Pacific and the Far East which might imperil our security in the years to come.

Had the statement of Mr. Lyttelton originated from the bureaus of Axis propaganda, we would have thought little or nothing of it. In fact, we might expect such utterances from radio Tokyo or radio Berlin. It is the job of the Axis propagandists to probe for a weak spot or a soft spot in American emotion. We all know that the only hope of the Nazis and the Japs is to divide and conquer. It is with the deepest regret that I am constrained to say that the statement made by Oliver Lyttelton strikes a hard blow at unity which is so vital to a complete and early victory. What Lyttelton said must have given Hitler and Tojo renewed hope in their desperate attempt to exploit what little discontent there is in this country over the progress and conduct of the war.

Mr. President, I commend the Secretary of State, Cordell Hull, for his rebuke of Lyttelton for the ugly slur that was placed against this Nation, but as a United States Senator I go even further: I say that those who have control of the British Government at this hour cannot afford to permit such an irresponsible character to continue in high public office for the good of the Allied cause. For the sake of continued unity, for the sake of continued success on the battlefields and on the sea lanes of the world, in the interest of saving the lives of American boys, the resignation of Lyttelton should be requested.

### MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Miller, one of his secretaries.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had receded from its amendment to the bill (S. 1588) for the relief of the legal guardian of Eugene Holcomb, a minor.

The message also announced that the House had severally agreed to the amendments of the Senate to the following bills of the House:

H. R. 2303. An act for the relief of O. W. James;

H. R. 2855. An act for the relief of the estate of John Buby;

H. R. 3102. An act for the relief of Mrs. Eva M. Delisle; and

H. R. 3661. An act for the relief of G. F. Allen, chief disbursing officer, Treasury Department, and for other purposes.

The message further announced that the House had severally agreed to the amendments of the Senate to the following bills of the House:

H. R. 272. An act for the relief of Mrs. Viola Stroud Pokluda, Jesse M. Knowles, and the estate of Lee Stroud;

H. R. 1220. An act for the relief of Paul J. Campbell, the legal guardian of Paul M. Campbell, a minor; and

H. R. 4115. An act to give honorably discharged veterans, their widows, and the wives of disabled veterans, who themselves are not qualified, preference in employment where Federal funds are disbursed.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4183) making appropriations for the fiscal year ending June 30, 1945, for civil functions administered by the War Department, and for other purposes, and that the House receded from its disagreement to the amendment of the Senate numbered 7 to the bill, and concurred therein.

The message further announced that the House had receded from its disagreement to the amendment of the Senate numbered 10 to the bill (H. R. 4204) making appropriations for the Departments of State, Justice, and Commerce, for the fiscal year ending June 30, 1945,

and for other purposes, and concurred therein with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4679) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1945, and for other purposes; that the House receded from its disagreement to the amendments of the Senate numbered 39, 40, 41, 42, 82, 84, 88, 93, 94, 115, 169, 191, and 196 to the bill and concurred therein; that the House receded from its disagreement to the amendments of the Senate numbered 89, 116, 127, 128, 133, 138, 155, 202, and 203 to the bill and concurred therein severally with an amendment, in which it requested the concurrence of the Senate, and that the House receded from its disagreement to the amendments of the Senate numbered 156 and 166 to the bill and concurred therein each with amendments, in which it requested the concurrence of the Senate.

#### ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (S. 1157) to amend section 61 of the National Defense Act of June 3, 1916, as amended, for the purpose of providing such training of State and Territorial military forces as is deemed necessary to enable them to execute their internal security responsibilities within their respective States and Territories, and it was signed by the Acting President pro tempore (Mr. GILLETTE).

#### REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

H. R. 4215. A bill to extend to the custodial-service employees of the Post Office Department certain benefits applicable to postal employees; with an amendment (Rept. No. 1000).

By Mr. HATCH, from the Committee on Public Lands and Surveys:

H. R. 3524. A bill to provide for the establishment of the Harpers Ferry National Monument; without amendment (Rept. No. 1001).

H. R. 4095. A bill confirming the claim of Robert Johnson and other heirs of Monroe Johnson to certain lands in the State of Mississippi, county of Adams; with an amendment (Rept. No. 1002); and

S. Res. 311. Resolution increasing the compensation of the temporary clerk to the Committee on Public Lands and Surveys; without amendment, and, under the rule, the resolution was referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

By Mr. GEORGE, from the Committee on Finance:

H. R. 4837. A bill to extend for an additional 2 years the suspension in part of the processing tax on coconut oil; with amendments (Rept. No. 1003); and

H. R. 4881. A bill to amend the Internal Revenue Code, the Narcotic Drug Import and Export Act, as amended, and the Tariff Act of 1930, as amended, to classify a new

synthetic drug, and for other purposes; without amendment (Rept. No. 1004).

By Mr. WALSH of Massachusetts, from the Committee on Naval Affairs:

H. R. 4405. A bill to amend the act approved March 7, 1942 (56 Stat. 143), as amended (56 Stat. 1092; 50 App. U. S. C., Supp. III, 1001-1017, inclusive), so as to more specifically provide for pay, allotments, and administration pertaining to war casualties, and for other purposes; with amendments (Rept. No. 1005).

By Mr. WHERRY, from the Committee on Claims:

S. 1717. A bill for the relief of Luella F. Stewart; without amendment (Rept. No. 1006); and

S. 1995. A bill for the relief of Fred A. Dimler and Gwendolyn E. Dimler, his wife; without amendment (Rept. No. 1007).

By Mr. TUNNELL, from the Committee on Claims:

S. 1226. A bill for the relief of Charles T. Allen; with amendments (Rept. No. 1008);

H. R. 1963. A bill for the relief of G. H. Garner; with amendments (Rept. No. 1009);

H. R. 2965. A bill for the relief of Ross Engineering Co.; without amendment (Rept. No. 1010); and

H. R. 3929. A bill for the relief of Katherine Scherer; with an amendment (Rept. No. 1011).

By Mr. ROBERTSON, from the Committee on Claims:

H. R. 2151. A bill for the relief of Elizabeth Powers Long; without amendment (Rept. No. 1012);

H. R. 2333. A bill for the relief of Mrs. Samuel M. McLaughlin; without amendment (Rept. No. 1013);

H. R. 3481. A bill for the relief of J. William Ingram; without amendment (Rept. No. 1014); and

H. R. 4528. A bill for the relief of L. M. Feller Co. and Wendell C. Graus; without amendment (Rept. No. 1015).

By Mr. ELLENDER, from the Committee on Claims:

H. R. 2006. A bill for the relief of Mrs. Hagar Simpson, Mrs. Nat Price, Jr., and Griffin Bros. Clinic; with amendments (Rept. No. 1016);

H. R. 2530. A bill for the relief of John M. O'Connell; without amendment (Rept. No. 1017);

H. R. 3280. A bill for the relief of William Dyer; without amendment (Rept. No. 1018);

H. R. 3281. A bill for the relief of the estate of Nelson Hawkins; without amendment (Rept. No. 1019);

H. R. 3539. A bill for the relief of the estate of Carlos Pérez Avilés; without amendment (Rept. No. 1020);

H. R. 3586. A bill for the relief of Mrs. John Andrew Godwin; without amendment (Rept. No. 1021);

H. R. 3636. A bill for the relief of Josephine Guidoni; without amendment (Rept. No. 1022); and

H. R. 4197. A bill for the relief of Mr. and Mrs. John Cushman; without amendment (Rept. No. 1023).

By Mr. MALONEY (for Mr. WALSH of New Jersey), from the Committee on Commerce:

H. R. 4041. A bill to amend the act relating to the construction and maintenance of a bridge across the Missouri River at or near Nebraska City, Nebr.; without amendment (Rept. No. 1025).

By Mr. WALLGREN, from the Committee on Commerce:

H. R. 4935. A bill to provide for a study of multiple taxation of air commerce, and for other purposes; without amendment (Rept. No. 1026).

By Mr. THOMAS of Utah, from the Committee on Education and Labor:

H. R. 4624. A bill to consolidate and revise the laws relating to the Public Health Serv-

ice, and for other purposes; with amendments (Rept. No. 1027).

#### ENROLLED BILLS PRESENTED

Mr. TRUMAN (for Mrs. CARAWAY), from the Committee on Enrolled Bills, reported that on June 19, 1944, that committee presented to the President of the United States the following enrolled bills:

S. 1479. An act providing for the suspension of certain requirements relating to work on tunnel sites; and

S. 1808. An act to authorize temporary appointment as officers in the Army of the United States of members of the Army Nurse Corps, female persons having the necessary qualifications for reappointments in such corps, female dietetic and physical therapy personnel of the Medical Department of the Army (exclusive of students and apprentices), and female persons having the necessary qualifications for appointment in such department as female dietetic or physical-therapy personnel, and for other purposes.

#### BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LUCAS:

S. 2029. A bill to provide for the planning of rural electrification projects, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. EASTLAND (for Mr. McCARRAN):

S. 2030. A bill to improve the administration of justice by prescribing fair administrative procedure; to the Committee on the Judiciary.

By Mr. ELLENDER:

S. 2031. A bill for the relief of Lt. (T.) P. J. Voorhies; to the Committee on Claims.

POLITICAL ACTIVITIES AND FEDERAL CORRUPT PRACTICES ACTS (S. DOC. NO. 222)

Mr. GREEN. Mr. President, last March a special Senate committee was appointed to investigate the campaign expenditures of all the candidates for the office of President and Vice President of the United States in 1944. Such procedure was in accordance with a custom previously established. In accordance with such custom the committee has also issued a summary of existing legislation relating to political activities, especially contributions. A pamphlet has been prepared by the present committee, containing these laws, and a summary of them, which the committee asks to have printed as a Senate document, and therefore I ask unanimous consent that the pamphlet be so printed.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

#### MANPOWER IN THE WAR EFFORT

Mr. MAYBANK. Mr. President, recently, in connection with navy-yard operations and other manpower problems, there have been several visits to Washington by representatives of various unions and representatives of navy yards and other Government activities.

I ask unanimous consent to have printed in the RECORD a letter which the distinguished Secretary of the Navy has written to Mr. McNutt, Administrator of the War Manpower Commission. I may say that the letter has been sent to several of the committees.



There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF THE NAVY,  
Washington, June 12, 1944.

Hon. PAUL V. McNUTT,  
Administrator, War Manpower Commission,  
Washington, D. C.

DEAR PAUL: In this note I want to say two things:

1. Admiral Robinson tells me that your handling of the July 1 referrals under the War Manpower plan has been extremely well done. In view of the fact that you get rocks mostly, rather than roses, I want to take the opportunity of reporting this fact.

2. I have just been told also that Lawrence Appley is leaving, and I want to tell you how highly the services, and particularly the Navy, have valued his work. He has been consistently constructive and helpful, and his going will be a real loss.

In due course you will probably hear squawks and complaints, but I find that the record of those is more or less automatic, whereas we frequently fail to take note of the things well done. This is a minor effort in that direction.

Sincerely yours,

JAMES FORRESTAL.

P. S.—I am sending a copy of this letter to the members of the various committees in Congress concerned with manpower.

#### PREVENTION OF ACCIDENTS—ADDRESS BY SENATOR BARKLEY

[Mr. MEAD asked and obtained leave to have printed in the RECORD an address on the subject of accident prevention in the United States delivered by Senator BARKLEY at the Film Safety Awards Committee luncheon at Washington, D. C., on June 8, 1944, which appears in the Appendix.]

#### PROBLEMS OF THE POST-WAR WORLD—ADDRESS BY SENATOR McCARRAN TO THE CALIFORNIA LEGISLATURE

[Mr. O'MAHONEY asked and obtained leave to have printed in the RECORD an address on problems of the post-war world delivered by Senator McCARRAN on June 9, 1944, before a joint session of the California Legislature, which appears in the Appendix.]

#### AMERICA ON THE MOVE—ADDRESS BY SENATOR McCARRAN

[Mr. GILLETTE asked and obtained leave to have printed in the RECORD an address entitled "America on the Move," delivered by Senator McCARRAN before the convention of the American Trucking Association at San Francisco, Calif., on June 7, 1944, which appears in the Appendix.]

#### DISCRIMINATIONS IN RAILROAD FREIGHT RATES—STATEMENT BY SENATOR STEWART

[Mr. McCLELLAN asked and obtained leave to have printed in the RECORD an argument on the subject of discriminations in railroad freight rates, delivered by Senator Stewart before the Interstate Commerce Commission at Washington, D. C., on June 14, 1944, which appears in the Appendix.]

#### PREVENTION OF ACCIDENTS—ADDRESS BY COL. JOHN H. STILLWELL

[Mr. MEAD asked and obtained leave to have printed in the RECORD an address on the subject of accident prevention in the United States delivered by Col. John H. Stillwell, president of the National Safety Council, at Hotel Statler, Washington, D. C., June 8, 1944, which appears in the Appendix.]

#### THE DISMISSAL OF MINISTER FROM FINLAND — ARTICLE BY CONSTANTINE BROWN

[Mr. SHIPSTEAD asked and obtained leave to have printed in the RECORD an article by Constantine Brown dealing with the dismissal of Hjalmar Procope, Minister from Finland to the United States, published in the Washington Star of June 20, 1944, which appears in the Appendix.]

#### APPROPRIATIONS FOR THE MILITARY ESTABLISHMENT

The Senate resumed the consideration of the bill (H. R. 4967) making appropriations for the Military Establishment for the fiscal year ending June 30, 1945, and for other purposes.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the committee amendment on page 31, line 3, striking out "\$1,800,217,000" and inserting "\$1,799,000,000."

Under the order of yesterday, the Senator from Michigan [Mr. FERGUSON] has the floor.

Mr. HILL. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. Does the Senator from Michigan yield for the purpose of a quorum call?

Mr. FERGUSON. I yield.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gillette	Overton
Ball	Green	Pepper
Bankhead	Guffey	Radcliffe
Barkley	Gurney	Reed
Bilbo	Hatch	Revercomb
Brewster	Hill	Robertson
Burton	Holman	Russell
Bushfield	Jackson	Shipstead
Butler	Johnson, Calif.	Smith
Byrd	Johnson, Colo.	Stewart
Capper	Kilgore	Thomas, Okla.
Chavez	Lucas	Thomas, Utah
Clark, Mo.	McClellan	Tunnell
Connally	McFarland	Vandenberg
Cordon	McKellar	Wagner
Davis	Maloney	Wallgren
Eastland	Maybank	Walsh, Mass.
Ellender	Mead	Walsh, N. J.
Ferguson	Murdock	Wherry
George	Murray	White
Gerry	O'Mahoney	Willis

Mr. HILL. I announce that the Senator from Washington [Mr. BONE] and the Senator from Virginia [Mr. GLASS] are absent from the Senate because of illness.

The Senator from California [Mr. DOWNEY] is absent on official business for the Senate.

The Senator from Florida [Mr. ANDREWS], the Senator from Arkansas [Mrs. CARAWAY], the Senator from Kentucky [Mr. CHANDLER], the Senator from Idaho [Mr. CLARK], the Senator from Missouri [Mr. TRUMAN], the Senator from Arizona [Mr. HAYDEN], the Senator from Maryland [Mr. TYDINGS], and the Senator from Montana [Mr. WHEELER] are detained on public business.

The Senators from Nevada [Mr. McCARRAN and Mr. SCRUGHAM] are absent on official business.

The Senators from North Carolina [Mr. BAILEY and Mr. REYNOLDS] are necessarily absent.

Mr. WHERRY. The Senator from New Hampshire [Mr. BRIDGES] is absent because of illness.

The Senator from Vermont [Mr. AUSTIN], the Senator from Illinois [Mr. BROOKS], the Senator from Delaware [Mr. BUCK], the Senator from Connecticut [Mr. DANAHY], the Senator from New Jersey [Mr. HAWKES], the Senator from North Dakota [Mr. LANGER], the Senator from Colorado [Mr. MILLIKIN], the Senator from Oklahoma [Mr. MOORE], the Senator from North Dakota [Mr. NYE], the Senator from Ohio [Mr. TAFT], the Senator from Idaho [Mr. THOMAS], the Senator from New Hampshire [Mr. TOBEY], the Senator from Massachusetts [Mr. WEEKS], and the Senator from Iowa [Mr. WILSON] are necessarily absent.

The Senator from Wisconsin [Mr. WILEY] is absent, attending the wedding of his daughter.

The ACTING PRESIDENT pro tempore. Sixty-three Senators have answered to their names. A quorum is present.

The question is on agreeing to the amendment on page 31, line 3, striking out "\$1,800,217,000" and inserting "\$1,799,000,000."

Mr. FERGUSON. Mr. President, last evening I was speaking on a subject on which I wish to continue today. As we all know, each year the War Department submits to the Congress a request for an immense and staggering number of billions of dollars, and each year toward the end of the session we are told that it is necessary to rush through an appropriation about which the Congress necessarily can have little understanding, in order that the War Department may continue its most essential and necessary operations. Today we are considering a bill proposing to appropriate the staggering sum of \$49,000,000,000. The bill is 64 pages long, and the Canol project presents an interesting example of how little information the War Department actually furnishes the Congress and how easy it is for War Department officials to obtain appropriations for their favored projects, whatever their merit or lack of merit may be.

A Senator diligently studying this 64-page bill would find an utterly meaningless item for the Corps of Engineers, of approximately \$1,800,000,000.

If he were a member of the Appropriations Committee of the Senate and had sufficient time to do so, he could go over 10 volumes of so-called detail presented by the War Department. In all those 10 volumes he would not find one single, solitary reference to the Canol project, for which \$16,439,688 is sought to be appropriated.

What he would find would be a one-line request for \$34,250,000 for the Northwest Service Command, and even that would be marked "secret."

The War Department explains that it never intended to call the Canol project, the ill fame of which is known to the entire country, secret, but that there were other secret items with respect to the

Northwest Service Command which led it to classify the entire requested appropriation as secret.

If the Senator were insistent upon going into the matters referred to as secret—and we all hesitate to do so because of our great desire not to take any chance of assisting the enemy—and if the Senator were to make specific inquiry with respect to a project such as the Canol project, he would find that the War Department representatives had with them at the hearing a volume. A careful examination of that volume would disclose a half page of generalized figures with respect to the Canol project. This is what he would find upon that page:

Canol:	
Maintenance .....	\$8,066,158
Operation .....	8,373,530
Total .....	16,439,688

Segregating the above Canol figures, the following division can be made:

	Refinery, access roads, crude line oil field	Distribution lines and flight strips
Operation .....	\$6,326,540	\$2,046,990
Maintenance .....	5,705,920	2,360,238
Total .....	12,032,460	4,407,228

The total of \$12,032,460 is made up as follows:

	Maintenance	Operation
Production facilities at Norman Wells .....	\$708,070	\$2,843,720
297 miles crude pipe line to Whitehorse .....	1,334,740	1,167,540
228 miles service roads along pipe line .....	2,604,010	
Refinery at Whitehorse .....	960,100	2,315,280
Total .....	5,705,920	6,326,540

Obviously these figures are themselves mere generalizations, because they do not indicate how many thousand tons of supplies and how many thousands of men will be required for this operation, or what other operations will have to be sacrificed in order to provide the supplies and men. The Truman committee went into Canada and Alaska and made an investigation of this matter. Therefore, as a member of that committee, I am familiar with the country and the hardships to which men are subjected in order to maintain these roads and pipe lines, as well as the amount of food and equipment essential to be taken there. When we speak of spending \$16,000,000 in that region, it means that there must be transported to that area many thousands of men, when we have a manpower shortage in the United States—at least, one is claimed—and a shortage of food, not only for ourselves, but for our allies.

It is proposed to spend \$16,000,000 in that region in an effort to provide oil. Mr. President, the procuring of that oil is not a military secret. The Army itself

hired men to write magazine articles about it. They were on the pay roll of the United States.

Even if we knew how many men and how much supplies would be required, the figures would still be meaningless unless we happened to know, as I do, and as the Truman committee knows through its detailed investigation of the Canol project, how many barrels of oil are expected to be obtained, and how much the Army is paying to obtain an equivalent quantity of oil elsewhere.

Nowhere in the reports submitted to the Congress will there be found any estimate of how much labor or material is required, or how much oil will be produced. The project is not a military project but an oil-producing project, and it cannot possibly be understood unless we know how much oil, and what kind of oil products are going to be obtained, and how much it would cost to procure the equivalent from other sources.

That is the reason why the Office of the Petroleum Administrator for War should have been consulted with respect to this project. I think it is disgraceful that the War Department should bullheadedly insist on disregarding the Government's experts on oil matters.

In December an Executive order was issued by the President of the United States naming Mr. Harold Ickes as Petroleum Administrator for War. It is significant in this particular case that when the project was started General Somervell acted upon it on the basis of a one-page memorandum. Nowhere in the history of this project can the Truman committee find that the Petroleum Administrator for War, Mr. Ickes, who is the Government's expert, was consulted. We are asked to appropriate \$16,000,000. Up until today, in the preparation of the figures, those who are skilled in the production of oil, and should know what it costs to produce oil, have not been consulted.

Mr. President, why have they not been consulted? The reason is that they have not favored this project. It seems that if one does not favor a project, and may be considered a critic, he is not consulted. Only those who are "yes" men are consulted. I believe that when such appropriations are requested the Senate should require the departments of Government which may be considered critics to give us the facts. The experts in the Government should be consulted not only by the Army, but by the Senate.

The Truman committee has obtained from the War Department its estimates of how much aviation and truck gasoline and Diesel oil and fuel oil it expects to produce. Time alone will tell whether those estimates are realistic. If we vote this appropriation we take that chance.

Furthermore, those estimates include products some of which will necessarily be used to operate the Canol project. We cannot spend \$12,000,000 to maintain highways, pipe lines, and other facilities for the Canol project without

using large quantities of gasoline and other oil products. The oil products for which we are paying \$12,000,000 for operation and maintenance are not the total production, but rather the total production less all the gasoline and oil used in connection with that portion of the Canol project. In other words, we will find that great amounts of gasoline and oil produced from those very wells will be used to maintain the wells and to keep the roads open, for they are located in territory where the temperature drops to as low as 70° below zero. The actual amount of oil products which will go to help the United States Government in the war effort will be very small.

The War Department was asked to furnish the Truman committee with information about the number of thousands of barrels of various oil products which would have to be used for the operation and maintenance of the Canol project. As yet it has not done so.

However, if we assume that every barrel of oil it is hoped to obtain is obtained, and if we assume, contrary to fact, that none of the oil is used in operation or maintenance of the Canol project, we still find, on the basis of the War Department's own figures, that we could buy an equivalent amount of products at Los Angeles and freight them to Skagway for \$2,568,997. Or if we wanted to buy them at Aruba, in the West Indies, where oil supplies are more plentiful than on the west coast, we could buy them and freight them to Skagway for \$3,267,893.

Up until now, so far as aviation gasoline is concerned, every gallon of gasoline has had to be sent to that northern area by water. Therefore, up until the present time, we have obtained no products for the war effort from this expenditure of manpower in an area where men have to work hard. Let me say that the records of the House show that the men who work there are guaranteed 240 hours a month, regardless of whether they work that long a time. If they work more than that, they are paid on the basis of time and a half, as the case may be. I do not criticize men who must work in temperatures ranging as low as 70 degrees below zero for wanting that much pay or for consuming the great amount of food they need. But the fact is that this project was undertaken on the basis of a one-page memorandum, and the Petroleum Administrator for War was not consulted to ascertain whether the project was a worth-while one to undertake while this country was fighting for its life. In other words, if we write off and throw away entirely the \$130,000,000 investment, which is what the Canol project has cost thus far, plus another \$140,000,000 for the highway—and it has been said that the highway is necessary because there are airfields which are approximately from 200 to 250 miles apart—it may be that we will save in the end. Incidentally, if it be true that the highway is necessary, then I ask the War Department why in Alaska, a territory which is owned by the United



States of America, we find no highway between Fairbanks and Nome, although they are 500 miles apart. Let me say that from Fairbanks to Bethel—and I have been to the airfield there—is a distance of approximately 500 miles, and on the trip between those two places the route crosses another airport known as McGraw. Yet no highways are built between those airfields in that country which is owned by the United States. But let me say that in Canada we find the airports linked by highways; and, Mr. President, we find that in linking them the thought is kept in mind that they are in Canada and will provide for future summer resorts—indeed, log cabins are being built. I myself have seen them. I think the time has come when, because we have battles to fight, we should not be thinking of post-war projects in Canada, but should be thinking about winning battles for America.

Mr. President, those in charge of the construction of this project on the basis of cost-plus-a-fixed-fee contract would not go to Whitehorse to live. They made their headquarters at Edmonton—which is 1,000 miles from Whitehorse—because Edmonton is a larger city. Then the United States Air Force was used to transport the executive officers back and forth over that 1,000 miles. Can we conceive of having such a thing done in time of war?

Mr. President, on the basis of cost-plus-a-fixed-fee contract they built a redwood palace. As we came from Alaska and Canada the soldiers who had worked under great hardships said to us, "Will you look over the redwood palace down at Edmonton?" It is an office building which we had erected there at a cost of \$192,000. Eventually it will be turned over to the owner of the land and we will even have to spend \$4,000 to put stucco on it, after the war is over. Mr. President, in order to house those who were going to help do that job, they took over a seminary, and spent \$920,000 in remodeling it as living quarters for the officers and employees who were in Edmonton, doing a job on a cost-plus-a-fixed-fee contract basis, instead of going to Whitehorse or to Norman Wells, where the work was actually being performed.

Those are the things of which the general who was in charge and the Army say they are proud. It was in connection with those matters that General Somervell, the general in charge, said, in speaking about a check, "What difference did it make? They all use the same size paper." That is the kind of project we are now considering.

In other words, as I have said, if we write off and throw away entirely the \$130,000,000 investment, and do not charge ourselves 1 cent of amortization or depreciation, the mere cost of operating and maintaining this refinery will be from four to five times the value of the products obtained. This is the Canol project of which the War Department states it is proud.

Although this is the detail or lack of detail which was furnished to the Congress when appropriations were requested, we all remember the publicity that was given a month or so ago when

the refinery began to produce a little motor-truck gasoline, and the very lengthy fanfare with which we were told that the contracts made with Canada and the Imperial Oil had been revised so that we would have available to us a pool of 60,000,000 barrels of oil. This new contract, which deals with the production of oil for the United States, until 2 hours ago had never been furnished to the Petroleum Administrator for War, Mr. Ickes, or to his office. If they wanted to get any information, they had to obtain it from newspaper clippings or elsewhere.

So, again I say it is time for us to use every ounce of effort in the fight to win the war and every ounce of energy and of judgment which may be available in our various departments. Criticism may be valuable, for a critical attitude may result in the prevention of considerable loss.

I wish to call attention to the fact that even with respect to that negotiation, and despite the recommendation of the Truman committee that the Petroleum Administrator for War be consulted on all points, the War Department did not even take up the question with the oil experts of the United States Government.

Of course, there is no guaranty that 60,000,000 barrels of oil can actually be obtained. The senior Senator from Texas [Mr. CONNALLY] yesterday evening called my attention to the fact that 60,000,000 barrels of oil would be obtained. We must remember that they have a proven well from which they anticipate obtaining 30,000,000 barrels of oil. They have an unproven field from which they anticipate obtaining an additional 30,000,000 barrels of oil. The latter field has not been tapped; they have no knowledge as to whether it has oil or whether it has 10,000,000, 30,000,000, 60,000,000, or any other number of barrels of oil. What we have to consider here and now is the question of what it will actually cost us to obtain those 60,000,000 barrels of oil, over and above what we would pay Canada and the Imperial Oil. I have not mentioned the 15 cents a barrel which we must pay to Canada for every barrel of oil that is taken out of there.

Under the requested appropriation it would cost us more than \$4,000,000 a year merely to maintain the pipe line and its access road. It would require the limit of capacity of the pipe line for 60 years in order to transport 60,000,000 barrels of oil. If we acquired the oil for nothing, and if it cost nothing to produce it, nothing to refine it, and nothing to transport the finished products to market after they had been refined, the oil would still cost us \$240,000,000.

Mr. President, I have computed that if we take into consideration all the products which have been anticipated, and consider the cost of maintenance and operation of equipment, the cost of the oil will be approximately \$9 a barrel. We know what has been said on this floor relative to the price at which oil is sold in this country, and the O. P. A. will not allow the price of it to be increased 35 cents. The price is now down to approximately \$1.17 a barrel. I be-

lieve that was the figure which was named. But if we compute the figures which have been given, we arrive at a cost of \$9 a barrel.

The only possible justifications which have been suggested by the War Department are a shortage of tankers, a shortage of the product on the west coast, and a desire to prove up this project for future use. One tanker has been mentioned as making trips back and forth. When we are talking about one tanker, as compared to the total number of tankers in this country, it is to speak only of a small drop, as it were, compared to the amount of oil which is produced and transported by this country.

The argument that this field should be proved up for future use does not mean much. I do not believe that very many people will be interested in paying \$12,000,000 a year for maintenance and operation of this kind of a project. The true meaning of the item is that we do not even yet know anything about operations in this area, and we may find our hopes for the production of oil vastly greater than the actualities will warrant.

Mr. President, I do not present these facts with the idea that the Senate today should delete the requested appropriation. I understand that the Joint Chiefs of Staff have assumed responsibility for handling the funds, and I do not desire in any way to preclude them from obtaining what they ask for, because we want to win the war. But, Mr. President, the responsibility which they agree to assume is one for which they will have to answer after the veil of secrecy has been lifted. I, for one, am now giving notice that when that veil of secrecy shall have been lifted I shall want to know, in behalf of the people of this country, and in a detailed way, why those to whom I have referred assumed such responsibility at such a critical time.

Next year we may have a similar request made to us to continue this boondoggling project. I think we should scrutinize any such request in great detail. I have referred to the Canol project at considerable length because I desired to call to the attention of the Senate the fact that we know very little about the actual use to which the War Department intends to place the \$49,000,000,000 which it has requested of the Congress.

Mr. President, so far as strategy is concerned, and so far as guns and cannon are concerned, we want the War Department to get everything it needs; we feel the same about supplies; but we believe that the War Department should consult every available expert in regard to the matters involved, and that it should be willing to consider facts in connection with a project of this nature, which is not a military secret at all, and which has nothing to do with the military program except in its use of many of our soldiers and our civilian population.

Last year, when the War Department made a similar request, several Members of the Senate called attention to the fact that we knew very little about the project for which the money was to be used. It was stated this year that reliable information would be furnished on which

we could act. The whole Canol project grew out of a one-page memorandum from General Somervell, who was anxious to preserve paper, and the congressional authorization was for an item of \$25,000,000, which was buried in one of the huge appropriation bills. That \$25,000,000 item has since grown to \$134,000,000 for the purpose of construction, and we are now being requested to appropriate more than \$16,000,000 for operation and maintenance. The request is one which we may receive each year for the next 60 years if we are to obtain the 60,000,000 barrels of oil of which the War Department is so proud.

Mr. THOMAS of Oklahoma subsequently said: Mr. President, earlier today the junior Senator from Michigan [Mr. FERGUSON] discussed at some length the so-called Canol project in Canada and Alaska. I do not desire to make any reply to the statement submitted by the junior Senator from Michigan, but I do ask permission to have printed in the RECORD immediately following the address of the junior Senator from Michigan, a letter from the Under Secretary of War, Mr. Patterson, which states the viewpoint of the Army with respect to the matter discussed by the junior Senator from Michigan.

The PRESIDING OFFICER. Without objection, it is so ordered.

The letter is as follows:

WAR DEPARTMENT,  
OFFICE OF THE UNDER SECRETARY,  
Washington, D. C., June 21, 1944.

Hon. ELMER THOMAS,  
United States Senate,  
Washington, D. C.

DEAR SENATOR THOMAS: In the consideration of H. R. 4967, the Military Establishment appropriation bill, some objection was made on the floor of the Senate last night to that part of the Engineer Service appropriation providing for the operation and maintenance of the Canol project during the ensuing fiscal year. The total appropriations sought for such operation and maintenance, exclusive of the operation and maintenance of the distribution lines between Skagway, Whitehorse, Fairbanks, and Watson Lake, is \$13,235,608, which includes the production of crude oil at Norman Wells, operation and maintenance of the crude pipe line from Norman Wells to Whitehorse and the operation and maintenance of the refinery at Whitehorse, as well as the road from Norman Wells which parallels the pipe line and the maintenance of flight strips along the Mackenzie River.

While the Truman committee criticized our undertaking of this project, it did not recommend that it be abandoned but stated that the decision as to whether the project should be abandoned should be made by the War Department in the light of whether equitable arrangements could be completed with Canada and Imperial Oil, Ltd., for suitable rights in the project. Such new arrangements have been made whereby in addition to obtaining oil for the war at a greatly reduced price, we have obtained an option to obtain up to 60,000,000 barrels at a net price of 15 cents a barrel, plus cost of production, for post-war use. The completion and operation of Canol has been determined by the Joint Chiefs of Staff to be a military necessity.

The project is now in full operation except for the final stage of manufacturing 100-octane gasoline and this also will be in operation in a few weeks.

It is idle to contend that the petroleum products, including 100-octane gas, could be obtained more cheaply on the Pacific coast where our supply is inadequate or from Aruba. We have neither tankers for its transportation to Skagway nor 100-octane gasoline in sufficient supply. The greatly stepped-up Air Force operations in support of our troops in Normandy is taxing our supply of aviation fuel to the limit, not to mention demands in other theaters throughout the world.

The Canol project will supply 100-octane gas and other petroleum products, where needed, along the Alaskan Highway and for airplanes being transported to theaters of operation. The project has been completed in light of the considerations left to our determination by the report of the Truman committee. After we have completed Canol, in pursuance of that report's recommendation, it would be folly not to make use of these facilities in supporting our Army.

To abandon use of this means of obtaining aviation and other fuel, where needed, after all that has been done to date to assure this necessary supply, should be unthinkable.

I hope that the Senate will follow the action of the House of Representatives where the matter was fully considered in committee by authorizing the inclusion of the item in our appropriation bill.

Yours sincerely,

ROBERT P. PATTERSON,  
Under Secretary of War.

#### THE WAR AND PEACE AIMS

Mr. WHERRY. Mr. President, on the floor of the Senate during the past few days I heard the distinguished Senator from New Mexico [Mr. HATCH] speak extensively on the subject of a nonpartisan foreign policy. At the outset I should like to say that I am not a member of the Foreign Relations Committee. On that committee the minority in the Senate have a member who is amply able to represent us admirably when and where it is necessary to do so, and to express the viewpoint of our party on foreign policy. But after a brief discussion with many persons, as well as the distinguished Senator from New Mexico, I wish to say to him that I cannot leave the Senate Chamber and return to Nebraska unless I express an observation, and I wish to thank him for bringing the matter to my attention.

Since the morning of June 6, at 3:31 o'clock, millions of American homes have become shrines of prayer. The hearts of all men who love liberty and who look for justice quicken with our own, as the first sharp thrust of invasion settles into the steady rhythm of a gigantic offensive. The English Channel, the high European skies, and the fertile fields of France, have all become broad highways bearing our forces onward. Each stone and tree, and each hamlet and village left behind by our advancing troops has become a historic milepost on the road to victory.

The magnitude of this undertaking staggers the imagination. Long months of sacrifice, sweat, and toil, long hours of study, and self-discipline, long nights of waiting, tedious days of preparation—all have gone into this unprecedented operation.

We, whose lot it has been to participate only indirectly in this military venture, marvel at the energy, the ingenuity,

and the courage which have made it possible. At this very moment our admiration knows no bounds, and our gratitude no words.

These, our boys—our fathers and brothers, our husbands and sons, and all who are carrying the shock of battle to the enemy side by side with our staunch Allies—bear with them our fervent prayers and our fondest hopes. Long since, they have earned our undying praise for the glory they have already brought upon themselves. As they go into the jaws of hell there is no uncertainty, no fear. But courage, heroism, and grim determination are the order of the day. Such are our fighting men. Such have our fighting men been, since this tragic war began.

Whence comes such devotion to duty, such unflinching heroism, such gallantry, and such overwhelming strength? Our own Secretary of State answered this question in his speech of June 20, 1940, at Harvard University when he said:

Men will defend to the utmost only things in which they have complete faith. Those who took part in the struggle by which freedom was won for this Nation would have found its hardships unbearable if they had not been imbued with transcendent faith in the things for which they fought.

Mr. President, these men and boys of ours know far better than we how futile their striving would be as an end in itself. They are sustained by a faith in their American heritage, which has found its way into the very blood they are now pouring out on the altar of freedom.

The stakes for which they are risking their bodies, their minds, and their lives are unspoiled by cynicism or despair. They have left with us the sacred task of guarding and protecting this heritage, looking to us to keep it undefiled.

What is more, Mr. President, these fighting men of ours desire to crown their victory at arms by sharing this undefiled heritage with others. I cannot bring myself to believe they will be satisfied with any other outcome of the sacrifices they have already made and will continue to make.

Is it not well for us to remember that these men who are now enduring the tortures of the damned will be far more conscious of, and sensitive to, the needs of their fellow beings who have similarly suffered than many of us who have been entrusted with the task of crowning their military triumphs with peace? I shudder to think of the utter disillusionment that will follow this war in the hearts and minds of its veterans if they come to discover that we have failed them in these tasks which they desire fulfilled above all others.

Mr. President, let me remind you and my fellow Americans of these things, neither in the spirit of censure nor of antagonism. This is no time for bickering or dissension. America confronts the most critical hour in her history. The very fate of the human family is at stake. This is not the time to loose partisan thoughts or intentions in our midst. But it could happen again that, in spite of the tremendous difficulties and obstacles our armed forces have been compelled



to overcome, our tasks—the tasks which they have placed squarely in our hands to complete—may turn out to be more difficult than theirs. It is of this grave possibility, Mr. President, to which I wish to call attention.

Ideals and principles, whether moral, intellectual, spiritual, or political, are far more easily talked about than achieved. The price that would have to be paid by posterity for our failure is nowhere better expressed than in the words of our Secretary of State, who warned us on November 1, 1938:

The world is at a crossroads. But its power of choice is not lost. One of the roads that wind into the future is that of increased reliance upon armed force as an instrument of national policy. So long as the construction of armaments for such a purpose continues to be the center of national effort in some countries, a policy of arming inescapably becomes a universal evil.

Other nations find themselves compelled to divert to preparation for self-defense an increasing part of their substance and their effort. All this requires—in varying degrees, but in all countries alike—ever greater sacrifice of what mankind universally has regarded as a central objective of civilization and progress—namely, a rising level of national welfare and of well-being of the individual.

All this imposes—again in varying degrees, not in all countries alike—a growth of autarchy, an ever more complete regimentation of national life, an impairment of personal liberty, a lowering of every standard of material, cultural, and spiritual existence. If the nations continue along this road, increasingly strewn with the wreckage of civilized man's most precious possessions, they will be marching toward the final catastrophe of a new world war the horror and destructiveness of which pass human imagination.

The other of the two roads is that of ever-increasing reliance upon peaceful processes and upon the rule of law and order in the conduct of relations among individuals and nations.

There is no way for us to escape this choice. Certainly we cannot blame the Nazis or the Fascists for the mental, moral, and spiritual weakness of their opponents. The responsibility for the decision lies squarely on our shoulders. But I submit, Mr. President, that intelligent action is dependent upon access to the truth.

Moral strength is developed only in the exercise of responsibility, and spiritual insight cannot function in a vacuum. If we who are charged with the task of keeping our American ideals uncompromised and of sharing them with other peoples are faithful in carrying out those obligations we must then have more facts placed in our possession.

We would be false to our trust if in this critical hour we did not continue to insist that the gravity of the task that confronts us demands a frank and honest statement from our President as to what commitments he has made in our name.

What hope does he hold out to our men who are now fighting and dying on the battle fronts that their most fervent prayers will be answered? What plans have been made to insure the recognition of the inalienable rights of life, liberty, and the pursuit of happiness? What, indeed, are our boys even now fighting to secure for America, and for the suffering peoples of Europe?

Until we know the answers to these questions we shall be unable to make a wise choice between the alternatives Mr. Hull so ably has presented.

Mr. President, on May 23 there was delivered on the floor of the Senate by the senior Senator from New Hampshire [Mr. BRIDGES] a direct appeal to our President to break his silence with respect to our war and peace aims and to broadcast them to the suffering people of the world, and, more particularly, to the citizens of the United States. I want at this time to identify myself with this appeal.

It has always been my understanding of the American tradition that when world currents of violence, greed, duplicity, or immorality swirled threateningly around the heads of our statesmen they refused to swim with the current.

In 1823, when America was only a weak strippling of a nation, with a population of only 7,000,000, Alexander I, the Czar of all the Russias, conqueror of Napoleon, addressed an ultimatum to the United States, declaring his intention of making the northern Pacific a Russian sea, excluding America from any rights in that vast area. Yet, John Quincy Adams forwarded a communication to Alexander I in which he said, in effect:

This continent is no longer open to colonization by any foreign power.

This communication not only led to 120 years of peace with Russia, but also was later incorporated into the Monroe Doctrine, and has determined our foreign policy down to very recent years.

What if the obstacles to peace are dangerous and difficult to overcome? Are the American people engaged in this war merely to set up graver obstacles in the future, to be overcome only by an even more costly and hazardous resort to arms? What the American people are fighting for now is peace and freedom for all peoples. This is the task they have placed in the hands of their loved ones. They demand no less now from their statesmen.

A full-page Memorial Day tribute to our Nation's heroes appeared in the *Potters Herald*, of East Liverpool, Ohio, on May 25, 1944, from which I quote:

It is fitting and proper that 1 day a year be set aside to honor those brave men and women who have given their lives for their country.

This year, however, we feel the urge to do more than the usual flag waving and speech making. As thinking citizens, we believe that wars can be prevented. We see no logic or reason why thousands of our finest citizens must be called upon every generation to pay with their lives for the selfishness, greed, and blunders of a few stupid men in high places. History teaches that it requires far greater statesmanship to prevent wars than to fight them.

Proud are we to be citizens of this great country. We would not be worthy of this citizenship if we did not raise our voices on this Memorial Day to insist that our leaders not only continue to bend every effort to bring this present war to a successful conclusion, but to plan now for a just and lasting peace.

Mr. President, at least the American people want to go on record, even though all hell has finally broken loose

in the midst of men, though the spirit of man temporarily moves in the primitive field of brute and beast, that they have not surrendered their fight to keep alive the ideals of truth, goodness, justice, and liberty.

Mr. President, what are our peace aims? What commitments have been made?

God help us if in this dark hour we continue to leave our own people unenlightened, or the suffering peoples of Europe without a promise for the future.

Mr. HATCH. Mr. President, I have listened with a good deal of interest to what the Senator from Nebraska has said, and I find nothing in his remarks with which to disagree. What he has said is exactly what I have been urging.

I remind the Senator that responsibility for whatever peace is to be made or whatever is done by this country rests not alone upon the shoulders of the President of the United States, not alone upon the shoulders of the Secretary of State. This body is an equal partner in formulating and putting into effect any policy which may be determined upon.

I hope to hear the vigorous voice of the Senator from Nebraska raised here on the floor of the Senate stating his own peace aims, because he has his responsibility, and stating how far he is willing to go in an organization of the nations of the world to make an enduring and lasting peace, and to preserve it. I have some faith in the Senator from Nebraska, and I think he may do that. I hope he will.

#### APPROPRIATIONS FOR CIVIL FUNCTIONS OF THE WAR DEPARTMENT—CONFERENCE REPORT

Mr. THOMAS of Oklahoma submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 4183) making appropriations for the fiscal year ending June 30, 1945, for civil functions administered by the War Department, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 5, and 8.

That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$51,344,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendment numbered 7.

ELMER THOMAS,  
JOHN H. OVERTON,  
RICHARD B. RUSSELL,  
CHAN GURNEY,  
C. WAYLAND BROOKS,

*Managers on the part of the Senate.*

J. BUELL SNYDER,  
JOE STARNES,  
JOHN H. KEER,  
GEORGE MAHON,  
FRANCIS CASE (except as to No. 7).

*Managers on the part of the House.*

The report was agreed to.

INTERIOR DEPARTMENT APPROPRIATIONS—CONFERENCE REPORT

Mr. THOMAS of Oklahoma submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4679) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1945, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 2, 3, 4, 5, 6, 9, 10, 11, 12, 13, 14, 16, 17, 18, 19, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 35, 36, 38, 43, 45, 46, 47, 62, 63, 64, 70, 71, 72, 73, 75, 76, 77, 78, 79, 85, 86, 96, 97, 98, 99, 100, 101, 104, 106, 107, 110, 111, 114, 122, 123, 124, 125, 126, 129, 131, 132, 139, 140, 141, 142, 143, 144, 145, 146, 151, 152, 153, 154, 157, 158, 161, 162, 163, 164, 165, 167, 168, 170, 171, 172, 173, 174, 180, 181, 182, 185, 188, 194, 195, 197, and 206.

That the House recede from its disagreement to the amendments of the Senate numbered 15, 21, 34, 37, 49, 67, 68, 81, 83, 87, 90, 91, 102, 103, 105, 108, 121, 137, 177, 179, 187, 199, 200, 201, and 208, and agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$115,000"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$8,500"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$3,813,540"; and the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$45,000"; and the Senate agree to the same.

Amendment numbered 44: That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$175,000"; and the Senate agree to the same.

Amendment numbered 48: That the House recede from its disagreement to the amendment of the Senate numbered 48 and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$302,130"; and the Senate agree to the same.

Amendment numbered 50: That the House recede from its disagreement to the amendment of the Senate numbered 50 and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$79,960"; and the Senate agree to the same.

Amendment numbered 51: That the House recede from its disagreement to the amendment of the Senate numbered 51 and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$132,953"; and the Senate agree to the same.

Amendment numbered 52: That the House recede from its disagreement to the amendment of the Senate numbered 52 and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$212,827"; and the Senate agree to the same.

Amendment numbered 53: That the House recede from its disagreement to the amendment of the Senate numbered 53 and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$132,953"; and the Senate agree to the same.

Amendment numbered 54: That the House recede from its disagreement to the amendment of the Senate numbered 54 and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$212,827"; and the Senate agree to the same.

Amendment numbered 55: That the House recede from its disagreement to the amendment of the Senate numbered 55 and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$345,780"; and the Senate agree to the same.

Amendment numbered 56: That the House recede from its disagreement to the amendment of the Senate numbered 56 and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$10,500"; and the Senate agree to the same.

Amendment numbered 57: That the House recede from its disagreement to the amendment of the Senate numbered 57 and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$39,900"; and the Senate agree to the same.

Amendment numbered 58: That the House recede from its disagreement to the amendment of the Senate numbered 58 and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$39,200"; and the Senate agree to the same.

Amendment numbered 59: That the House recede from its disagreement to the amendment of the Senate numbered 59, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$39,900"; and the Senate agree to the same.

Amendment numbered 60: That the House recede from its disagreement to the amendment of the Senate numbered 60, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$39,200"; and the Senate agree to the same.

Amendment numbered 61: That the House recede from its disagreement to the amendment of the Senate numbered 61, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$89,600"; and the Senate agree to the same.

Amendment numbered 65: That the House recede from its disagreement to the amendment of the Senate numbered 65, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment, insert the following: "not exceeding \$21,650 for construction and equipment of a dormitory building at the Denehotso Day School on the Navajo Indian Reservation"; and the Senate agree to the same.

Amendment numbered 66: That the House recede from its disagreement to the amendment of the Senate numbered 66, and agree to the same with an amendment as follows: In lieu of the matter stricken out and inserted by said amendment, insert the following: "and on the Fort Apache Reservation, Arizona, \$6,066,940"; and the Senate agree to the same.

Amendment numbered 69: That the House recede from its disagreement to the amendment of the Senate numbered 69, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$320,000"; and the Senate agree to the same.

Amendment numbered 74: That the House recede from its disagreement to the amendment of the Senate numbered 74, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$1,444,250"; and the Senate agree to the same.

Amendment numbered 80: That the House recede from its disagreement to the amendment of the Senate numbered 80, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$85,650"; and the Senate agree to the same.

Amendment numbered 92: That the House recede from its disagreement to the amendment of the Senate numbered 92, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$200,000"; and the Senate agree to the same.

Amendment numbered 95: That the House recede from its disagreement to the amendment of the Senate numbered 95, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$950,000"; and the Senate agree to the same.

Amendment numbered 109: That the House recede from its disagreement to the amendment of the Senate numbered 109, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$450,000"; and the Senate agree to the same.

Amendment numbered 112: That the House recede from its disagreement to the amendment of the Senate numbered 112, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$3,075,000"; and the Senate agree to the same.

Amendment numbered 113: That the House recede from its disagreement to the amendment of the Senate numbered 113, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$4,321,000"; and the Senate agree to the same.

Amendment numbered 117: That the House recede from its disagreement to the amendment of the Senate numbered 117, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$500,000"; and the Senate agree to the same.

Amendment numbered 118: That the House recede from its disagreement to the amendment of the Senate numbered 118, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "\$750,000"; and the Senate agree to the same.

Amendment numbered 119: That the House recede from its disagreement to the amendment of the Senate numbered 119, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "\$1,250,000"; and the Senate agree to the same.

Amendment numbered 120: That the House recede from its disagreement to the amendment of the Senate numbered 120, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "\$15,000"; and the Senate agree to the same.

Amendment numbered 130: That the House recede from its disagreement to the amendment of the Senate numbered 130, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "\$875,000"; and the Senate agree to the same.

Amendment numbered 134: That the House recede from its disagreement to the amendment of the Senate numbered 134, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$170,000"; and the Senate agree to the same.

Amendment numbered 135: That the House recede from its disagreement to the amendment of the Senate numbered 135, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$23,750"; and the Senate agree to the same.

Amendment numbered 136: That the House recede from its disagreement to the amendment of the Senate numbered 136, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$1,700,000"; and the Senate agree to the same.

Amendment numbered 147: That the House recede from its disagreement to the amendment of the Senate numbered 147, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$797,595"; and the Senate agree to the same.

Amendment numbered 148: That the House recede from its disagreement to the amendment of the Senate numbered 148, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$1,700,000"; and the Senate agree to the same.



follows: In lieu of the sum proposed insert "\$90,000"; and the Senate agree to the same.

Amendment numbered 149: That the House recede from its disagreement to the amendment of the Senate numbered 149, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$7,000"; and the Senate agree to the same.

Amendment numbered 150: That the House recede from its disagreement to the amendment of the Senate numbered 150, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$1,024,480"; and the Senate agree to the same.

Amendment numbered 159: That the House recede from its disagreement to the amendment of the Senate numbered 159, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$657,640"; and the Senate agree to the same.

Amendment numbered 160: That the House recede from its disagreement to the amendment of the Senate numbered 160, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$50,000"; and the Senate agree to the same.

Amendment numbered 175: That the House recede from its disagreement to the amendment of the Senate numbered 175, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$200,000"; and the Senate agree to the same.

Amendment numbered 176: That the House recede from its disagreement to the amendment of the Senate numbered 176, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$1,062,778"; and the Senate agree to the same.

Amendment numbered 178: That the House recede from its disagreement to the amendment of the Senate numbered 178, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$317,540"; and the Senate agree to the same.

Amendment numbered 183: That the House recede from its disagreement to the amendment of the Senate numbered 183, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$865,000"; and the Senate agree to the same.

Amendment numbered 184: That the House recede from its disagreement to the amendment of the Senate numbered 184, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$334,900"; and the Senate agree to the same.

Amendment numbered 186: That the House recede from its disagreement to the amendment of the Senate numbered 186, and agree to the same with an amendment as follows: In lieu of the matter stricken out and inserted by said amendment, insert the following, "\$610,675"; and the Senate agree to the same.

Amendment numbered 189: That the House recede from its disagreement to the amendment of the Senate numbered 189, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$5,185,548"; and the Senate agree to the same.

Amendment numbered 190: That the House recede from its disagreement to the amendment of the Senate numbered 190, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$900,000"; and the Senate agree to the same.

Amendment numbered 192: That the House recede from its disagreement to the amendment of the Senate numbered 192, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$6,085,548"; and the Senate agree to the same.

Amendment numbered 193: That the House recede from its disagreement to the amendment of the Senate numbered 193, and

agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$825,000"; and the Senate agree to the same.

Amendment numbered 198: That the House recede from its disagreement to the amendment of the Senate numbered 198, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$1,250,000"; and the Senate agree to the same.

Amendment numbered 204: That the House recede from its disagreement to the amendment of the Senate numbered 204, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$100,000"; and the Senate agree to the same.

Amendment numbered 205: That the House recede from its disagreement to the amendment of the Senate numbered 205, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows:

"Sec. 8. Not to exceed a total of \$40,000 of the appropriations contained in this Act shall be available for expenditure for long distance telephone tolls, and not to exceed a total of \$40,000 shall be available for expenditure for telegrams and cablegrams, and the savings effected thereby in the items "communication services", as set forth in the Budget estimates submitted for such appropriations shall not be diverted to other use and shall be covered into the Treasury as miscellaneous receipts."

And the Senate agree to the same.

Amendment numbered 207: That the House recede from its disagreement to the amendment of the Senate numbered 207, and agree to the same with an amendment as follows: In line 1 of the matter inserted by said amendment, strike out "9", and insert in lieu thereof "9a"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 39, 40, 41, 42, 82, 84, 88, 89, 93, 94, 115, 116, 127, 128, 133, 138, 155, 156, 166, 169, 191, 196, 202, and 203.

CARL HAYDEN,  
KENNETH MCKELLAR,  
ELMER THOMAS,  
JOSEPH C. O'MAHONEY,  
DENNIS CHAVEZ,  
RUFUS C. HOLMAN,  
CHAN GURNEY,

*Managers on the part of the Senate.*

JED JOHNSON,  
JAMES M. FITZPATRICK,  
MICHAEL J. KIRWAN,  
W. F. NORRELL,  
ALBERT E. CARTER,  
ROBERT F. JONES (except as

to amendments 106,  
108, 109, 117, 118, 119,  
120, 121, 130, 134, 135,  
136, and 138),

BEN F. JENSEN,

*Managers on the part of the House.*

The report was agreed to.

The ACTING PRESIDENT pro tempore laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 4679, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,  
June 20, 1944.

*Resolved*, That the House recede from its disagreement to the amendments of the Senate numbered 39, 40, 41, 42, 82, 84, 88, 93, 94, 115, 169, 191, and 196 to the bill (H. R. 4679) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1945, and for other purposes, and concur therein.

That the House recede from its disagreement to the amendment of the Senate num-

bered 89 to said bill and concur therein with an amendment as follows: In lieu of the sum inserted by said amendment insert "\$556,450."

That the House recede from its disagreement to the amendment of the Senate numbered 116 to said bill and concur therein with an amendment as follows: In line 2 of the matter inserted by said Senate engrossed amendment strike out "\$350,000" and insert "\$340,000."

That the House recede from its disagreement to the amendment of the Senate numbered 127 to said bill and concur therein with an amendment as follows: In lieu of the sum named in said amendment insert "\$2,500,000."

That the House recede from its disagreement to the amendment of the Senate numbered 128 to said bill and concur therein with an amendment as follows: In lieu of the sum inserted by said amendment insert "\$1,045,000."

That the House recede from its disagreement to the amendment of the Senate numbered 133 to said bill and concur therein with an amendment as follows: In lieu of the sum inserted by said amendment insert "\$12,142,200."

That the House recede from its disagreement to the amendment of the Senate numbered 138 to said bill and concur therein with an amendment as follows: In line 4 of the matter inserted by said Senate engrossed amendment, strike out "\$800,000" and insert "\$400,000."

That the House recede from its disagreement to the amendment of the Senate numbered 155 to said bill and concur therein with an amendment as follows: In lieu of the matter inserted by said amendment insert:

"Anthracite investigations: For all expenses necessary to conduct inquiries and scientific and technologic investigations concerning the mining, preparation, treatment, and use of anthracite coals; including purchase of special wearing apparel and equipment for the protection of employees while engaged in their work; and other items otherwise properly chargeable to the appropriation 'Contingent expenses, Department of the Interior'; purchase, not to exceed \$3,000, operation, maintenance, and repair of passenger-carrying automobiles; and not to exceed \$6,500 for personal services in the District of Columbia, \$81,000: *Provided*, That the Secretary, through the Director of the Bureau of Mines, is authorized to accept buildings, equipment, and other contributions from public or private sources."

That the House recede from its disagreement to the amendment of the Senate numbered 156 to said bill and concur therein with amendments as follows:

In line 9 of the matter inserted by said Senate engrossed amendment, after "Columbia" insert "(not exceeding \$90,000)";

In line 12 of the matter inserted by said Senate engrossed amendment, after "purchase" insert "(not exceeding \$15,000)";

In line 16 of the matter inserted by said Senate engrossed amendment, strike out "\$8,000,000" and insert "\$5,000,000"; and

In line 34 of the matter inserted by said Senate engrossed amendment, after "shared" insert a period and strike out the remainder of the paragraph.

That the House recede from its disagreement to the amendment of the Senate numbered 166 to said bill and concur therein with amendments as follows:

In line 20 of the matter inserted by said Senate engrossed amendment, strike out "\$75,000" and insert "\$35,000";

In line 22 of the matter inserted by said Senate engrossed amendment, strike out "\$150,000" and insert "\$75,000";

In line 34 of the matter inserted by said Senate engrossed amendment, strike out "\$120,000" and insert "\$50,000"; and

In line 35 of the matter inserted by said Senate engrossed amendment, strike out "\$6,000,000" and insert "\$3,000,000."

That the House recede from its disagreement to the amendment of the Senate numbered 202 to said bill and concur therein with an amendment as follows: In lieu of the matter stricken out and inserted by said amendment insert "\$208,375, to be expended by and under the supervision and direction of the Governor."

That the House recede from its disagreement to the amendment of the Senate numbered 203 to said bill and concur therein with an amendment as follows: At the end of the matter inserted by said amendment before the period, insert "to be expended by and under the supervision and direction of the Governor."

Mr. THOMAS of Oklahoma. I move that the Senate agree to the amendments of the House to the amendments of the Senate Nos. 89, 116, 127, 128, 133, 138, 155, 156, 166, 202, and 203.

The motion was agreed to.

#### POST-WAR PLANNING AND POLICIES

Mr. McCLELLAN. Mr. President, for quite some time much has been said, a lot has been written, and a little done with respect to planning the course and the policies our Government shall pursue in the aftermath of the present war.

But few among us have ever seriously doubted that our arms would ultimately triumph on the field of battle. Our successes, although many times amounting to only comparatively small gains in this great conflict, have constantly stimulated our faith, and reassured us that we could and would develop the strength and power to administer a crushing defeat to all our enemies. If there was ever any justification for doubt regarding the final outcome of our military efforts, the recent matchless achievement in the history of wars consummated by the United Nations in the successful invasion of Europe should serve and does serve to dispel completely any thought of failure in the hearts and minds of the most timid and skeptical of our people. The landing of our troops on the beaches of occupied France marked the beginning of the decisive and inglorious defeat of Hitler and all the satellite countries of Germany. We are now on the road to Berlin. The day of judgment for tyrannical aggressors and would-be world conquerors draws closer as the battle lines are extended, and as we move steadily onward toward the heart of Nazi Germany.

However, with the certainty of ultimate military victory firmly established we are not rid of all the doubts and fears that have troubled our hearts regarding the attainment of a lasting peace. It is not too early to think about it or to plan for it. We have already taken the first step. The Connally resolution passed by the Senate and the Fulbright resolution passed by the House of Representatives express the hope and aspirations of the American people, and assert our willingness as a Nation to assume our responsibility of leadership in collaboration with the Government of the United Nations in the creation of an interna-

tional organization to the end that peace may be made secure and perpetuated for many generations to follow.

The mechanics of peace, however, will not be readily discovered nor can they be easily applied to all of the conditions and complications that will necessarily arise in the post-war world. An economic struggle will follow this war. That appears inevitable. Commerce, transportation, communications, and business and economic relationships between countries and governments will tremendously expand, and new frontiers of trade and enterprise will appear which different countries and peoples will desire to embrace and will seek to attain. In this field of opportunity we shall be blind and unrealistic if we do not expect and anticipate competition, the keenest and most difficult of which we shall encounter among some nations which are now our allies, and who, like us, now fight to remain free. We are allies today in a common cause, in the cause of humanity, in defense of and for the survival of our civilization. In the world of economics tomorrow we shall be competitors.

The writing of the peace treaty will challenge the ingenuity and statesmanship of all who participate in its formulation. That document must serve as the foundation and the basis for the future security of a permanent peace. Assuming that the peace treaty as such and the international organization that we hope to establish will be predicated on principles and fundamentals equally as sound for world security as the Declaration of Independence and the Constitution of the United States proved to be for the building of this great Nation, still the job will not be finished. That achievement standing alone will not be sufficient. Establishing peace will be a great accomplishment within itself, but preserving the peace of the world will be a continuous job which will require endless effort and perseverance. The price of permanent peace is not the mere writing of a just treaty. It involves the cost of eternal vigilance for the enforcement of its provisions and for the protection and attainment of its continuous objectives.

In the twenty-odd-year interim between World War No. 1 and the present war some foreign powers were actively engaged in planting in this country many foreign-born ideas and isms. This was done for the purpose of softening the American people and influencing and shaping public opinion here along lines that would be of material benefit to them and harmful to us. They sought to make us complacent with respect to our own security while they feverishly prepared for our destruction. Surely they failed. At least, they did not succeed, but it cannot be successfully contended that they made no headway, or that to some degree they did not impair our strength, retard our preparedness, and affect our ability to make adequate defense before serious injury could be inflicted upon us. Because we were lulled into complacency and a false sense of security we were caught off balance and dealt some heavy blows before we could regain our equilibrium and get ready to defend ourselves

in this mortal conflict. Because we were not ready and not adequately prepared, because we were not as alert and realistic about world conditions as we should have been, we failed to sense the impending danger and failed to prepare to meet it. Today we are having to pay for that mistake by the expenditure of billions and billions in values of the wealth of our material resources and with the blood and lives of hundreds of thousands of our finest young manhood.

Mr. President, this must never happen again. Whatever treaty we may write, whatever formula for peace may be adopted, it must not involve nor require America to disarm. We shall not sink our battleships, scrap our merchant marine, nor barter away our great air fleet and surrender bases that will be necessary for our use again should another Hitler arise or should any power ever enter upon another war of aggression against us.

Mr. President, there are other "isms" and propaganda that will be planted and used in this country to influence us in the shaping of our post-war policy with respect to international commerce in the future, and I refer particularly to air transportation. Today America leads all countries of the globe in developments and attainments in the field of aviation. Aviation will play an important part, it will be a major factor in world commerce when this war ends. There will be strong competition in this field of enterprise. Nation will strive against nation for advantages if not for control of the commerce of the air. This is or should be recognized by every intelligent citizen. It is therefore imperative that we be concerned about our national policy with respect to international air transportation. I doubt whether anyone is prepared at this hour to announce just what our national policy should be in this respect. It must yet be studied and developed. But no one with vision or foresight can contemplate the future without being concerned about it and without being anxious that our Government, and its leaders and statesmen who formulate our national and international policies, give it immediate thought and discuss it with the view of being prepared to establish a policy that will insure us our rightful place in this character of world commerce. This problem is of growing importance and every American has the right and duty not only to discuss it but to express his or her thoughts and views to their representatives in the National Congress and to the executive officials of the Nation who have a responsibility connected with the foreign policy of our Government. In this connection, the Congress has a serious and demanding obligation. In no small way, in my opinion, is the future prosperity, safety, and security of our Nation involved, and it is the solemn duty of the Congress to accept and meet intelligently and courageously this responsibility. We must give the subject study and endeavor to arrive at sound conclusions, and make effective the policy that will best serve our country and afford it the greatest measure of protection in the future.



Sometimes we hear disturbing rumors, and particularly so here in Washington, regarding secret agreements being made with other governments with respect to post-war policies and obligations of our country. It is intimated that some of these are made without congressional deliberations, sanction, or approval. Perhaps these rumors are unfounded. I hope all of them are without foundation of fact, but it is a part of our responsibility here in Congress to make certain that there is and shall be no trading away of American rights, no matter how sincere the purpose or how honest the motives may be of those who would undertake to obligate our Government, until and unless the matters involved have first been made public and fully cognizant to the Congress and to the American people.

It is divulging no military secret when we face the fact and frankly admit that there are many differences of opinions between leaders of the Allied Nations with respect to post-war policies and spheres of influence which are expected and intended to be established in the post-war world. I doubt that there is anyone in our Government today who knows and can give us assurance as to what will be the post-war policies of Stalin and Churchill, or of other leaders of major powers in the United Nations. Our statesmanship and the courage of our leaders are challenged by this situation. We shall certainly be faced in the peace era with new problems which we have not yet had an opportunity to study, with some we do not yet know about and which will be so entirely new, complicated, and far reaching that they can be potentially of great danger to our country and its future security.

Theories and idealistic suggestions are interesting as subjects of study and entertainment, but in facing these problems and undertaking to meet and solve them, we cannot afford to be anything other than most realistic, intelligent, and patriotic in our endeavor to find their proper and rightful solution.

As an example of confused thinking, misleading information, and conflicting statements, our attention has been called to a somewhat recent press dispatch from London which stated that Lord Beaverbrook announced in the House of Lords that Great Britain now favors the American-sponsored plan of freedom of the air, having reluctantly abandoned a Canada backed post-war plan for central international control of post-war civil aviation, following United States opposition. Lord Beaverbrook is reported to have said that the American plan for fixing standards and rates was based along the lines of the four freedoms of the air, namely, according to his interpretation, (1) the right to fly, (2) the right to land, (3) the right to set down passengers, mail, and cargo and (4) the right to pick them up, anywhere in the world.

What Lord Beaverbrook may have meant by the expression "American sponsored" plan of freedom of the air, I do not know. I am not advised of any officially recognized or established American plan as yet. If there is one that is

authentic and bearing official sanction, I know nothing about it. Apparently then, Lord Beaverbrook must have had in mind some scheme devised and possibly defined by some individual or by some particular group in America. If so, it is certainly misleading to refer to it as "the American plan." In my judgment, informed opinion is now beginning to crystallize along lines which are much different from the so-called "four freedoms of the air."

Those who have made a careful study of this situation have discovered that the so-called "four freedoms," the right to fly, the right to land, the right to set down passengers, mail, and cargo, and the right to pick them up anywhere in the world, has implications which extend far beyond and mean far more than freedom of the air. Such a policy would certainly involve the surrender and relinquishment of the ownership of air space above our own country. That concept of freedom of the air, as expressed by Lord Beaverbrook, would simply mean that the commercial aircraft of any country in the world would be entitled to fly to any inland point or air base in the United States, to pick up or discharge passengers, mail, and cargo, and to carry on an air commerce business into, in and out of this country, and make use of local and domestic airports in direct and destructive competition with the enterprise of our own domestic air lines and commerce.

Moreover, if that broad conception of freedom of the air were to be adopted without qualification we would have no jurisdiction over foreign airplanes operated within the borders of our own country—not even with respect to safety regulations, precautions, and traffic control.

I understand that Lord Beaverbrook's statement in the House of Lords was made following a conference in London by a representative of our State Department, Adolf Berle, Jr., United States Assistant Secretary of State—with representatives of the British Government. The details and conversations of that conference, so far as I know, have never been made public.

However, the Secretary of State has given assurances that these conversations were merely exploratory and that they in no way committed this Government to any particular policy or course of action. Therefore, I do not intend that my remarks shall be construed as criticism of the conversations that took place, nor do I necessarily intend to raise a point of controversy with Lord Beaverbrook over his interpretation or his application of the freedom of the air theory, but I do point out that such occurrences and such utterances as may have emanated from this conversation on the important subject of international air-transportation policy can only add confusion rather than contribute to clarification of this issue.

Mr. President, the consequences that can ensue as a result of policies we may ultimately adopt are of such great significance as to command sober thinking and diligent study, in the hope that no mistake will be made, and that our in-

terest as a government and as the leading Nation in the field of aviation and the future security of our country will be adequately protected.

The Congress has not been unmindful of this problem. A Senate Commerce Committee subcommittee under the leadership of the senior Senator from Missouri [Mr. CLARK] has been conducting extensive hearings in an endeavor to establish the facts and to get a cross-section of opinion from the best informed with respect to international air transportation and what the policy of our Government should be in the post-war period. This subcommittee is giving this subject much time and most careful study. I am informed it has had many competent and expert witnesses before it, including executives or representatives of all of our American air lines. In all probability, this committee will be able soon to make a report and give us the benefit of the information it has obtained and of its conclusions and recommendations.

It is obvious that very controversial questions are involved. For this reason I understand that the subcommittee's hearings have been held in executive sessions, with the view that all witnesses might, therefore, be able to speak freely and frankly on the subject without incurring the risk of misinterpretations in the publication of their ideas during the intermediate period of their presentation. This subject is of such complexity and importance that I know this committee has had a heavy task in studying the details of various theories which may have been advanced and recommended. It is exercising the utmost care to avoid reaching conclusions in haste, in a sincere effort to develop the facts, to serve as the basis for future congressional action.

Since this committee will likely soon report to the Congress, it appears to me that no one should be influenced at this time by any foreign propaganda or by any statements or information that may be given out by any prejudiced persons or groups or by any self-serving interests.

Unfortunately, there may be many interests, some for purely selfish reasons, endeavoring to shape or influence national policy with respect to this matter who are not giving adequate thought, primary concern, or consideration to the welfare of our country as a whole. No particular air-line agency, group, association, or corporation should be favored as such. The welfare, development, success, further expansion, or prosperity of any particular air line in America as such is not of first importance. Superseding their interest is the future safety and security of our country. Our national policy must be formulated with that as our paramount objective.

I recognize that sharp contention has arisen among our domestic companies over air policy with respect to foreign commerce. Some want this field of enterprise thrown wide open to all existing and established commercial air-transport systems. Others hold to the view that one large over-all company, owned and participated in by all of our

domestic aviation interests, can best compete with foreign commercial aviation and thus can operate more efficiently and secure for us a greater share of the world's air-transport business. Mr. President, this controversy will be resolved by whatever policy our Government establishes and pursues. We should not be primarily concerned about the welfare or advantages of any special interest or particular air-transport system. Our country and its welfare must come first. We must determine, if we can, which of these methods of approach in creating a national policy will, when in operation, afford the greatest protection from the standpoint of national security and which will produce for our country the maximum amount of foreign air commerce. When we know the answer to this, then our course will be clear and our duty compelling.

Foreign commerce during the past half century has greatly increased in importance. In the next quarter of a century that importance will be greatly accentuated and multiplied. Therefore, every American activity even remotely affecting our future foreign commerce should be dealt with in the soundest possible manner. In this connection, I am convinced that our policy should embrace plans that will result in a far greater percentage of our future foreign commerce being carried on American bottoms and in American planes than ever before in the history of our country.

Why should we not carry a substantial part of our own exports and imports? Any post-war plans and policies of our Government should provide for this. In 1922 approximately 50 percent of our foreign commerce was carried on American ships. According to charts and records of the United States Department of Commerce that percentage continuously declined until in 1939 it was below 25 percent. Think of this country transporting less than one-fourth of its own foreign trade. Shall we permit that to occur again? If we, through lack of vision or courage, fail to provide for and secure for American air lines our rightful share of air commerce in the post-war era we shall be derelict in our duty, and the future economy and welfare of our country will greatly suffer on account of such failure.

As the greatest Nation in the world and as the leader in the field of aviation, it is our solemn duty to prepare now to secure for our people our fair share of the anticipated increase in international commerce in the post-war world. We will have the greatest number of trained aviators the largest number and the finest quality of airplanes. We will have greater capacity for their production and better facilities for their maintenance and operation than any other country in the world. Shall those who are now engaged in this great and growing industry and who are receiving this training and being equipped for such a career and this character of labor come home following the war to find our country unprepared and apparently little interested in giving them the opportunity that they will so richly deserve? If we are to take

our rightful place in post-war aviation and commerce those who now are keeping our bombers and fighter planes flying in this fight for freedom will not come home when the war is over and find they have to join the ranks of the unemployed. We must make it possible for a substantial number of them, at least, and for many American families to gain their livelihood from such activities, and we should continue to train a fair percentage of our youth to engage in this field of endeavor.

We have a standard of living to maintain. It can be maintained if we shall only continue to exercise the same ingenuity of thought and effort which have attended the growth, development, and prosperity America has enjoyed in the past.

Mr. President, the subject I am now discussing is not insignificant or of indifference to the great masses of our people. Many of them are giving this problem serious thought, and are making it the object of study and concern. The leadership of some of the great labor organizations of our country are vitally interested in this problem. Quite naturally, the executives and leaders of those organizations have undertaken to visualize the situation, particularly as to how it will involve and affect wage levels and standards of living. Their interest and the welfare of their members, as well as the interest and welfare of all laboring people, whether members of labor organizations or not, should be considered. It is both wise and expedient that labor leaders, labor organizations, and the laboring man, whether in or out of a union, should give thought to what our post-war policy should be regarding air transportation. Post-war standards of living are of paramount importance to the laboring man, as well as to all of the rest of us. From expressions which come from the leaders of those organizations, it is apparent they are looking not only to their own immediate interests, but are thinking in terms of the welfare of this Nation as a whole. For example, Mr. Alvanley Johnson, grand chief engineer of the Brotherhood of Locomotive Engineers, and Mr. A. F. Whitney, president of the Brotherhood of Railway Trainmen, issued a joint statement regarding national policy on aviation, and I take the liberty of quoting from it:

That the post-war development of international air commerce will have a far-reaching effect upon our world society and the future of America is regarded as a major post-war certainty by nearly everyone. We believe that the time has come when our Government should assume a leading part in the shaping of America's future international and domestic air-transport policy. We believe that there should be a thorough public discussion of this important problem, and that its solution should not be left entirely to diplomatic negotiations. The people of the United States should move now to formulate and establish a comprehensive policy.

The present war has seen the development of air power as a third major branch of the military. Nations heretofore have competed principally in the building up of armies and navies. We have now three-dimensional warfare. If the United Nations fail to establish the machinery to secure world peace, then a key issue in the preparation for the

inevitable World War No. 3 will be that of air policy. Therefore, considerations of international air policy are not alone simple considerations of labor policy, as such, and of maximum service at minimum cost. International—and also domestic—air-transport policy is inextricably enmeshed with the issue of national safety and of war and peace. "Sovereignty of the skies" describes the system under which all international air transport has been developed.

Mr. President, I doubt if it is wise to abandon that system without careful and cautious consideration.

I continue to quote from the joint statement:

It is established that each nation shall have full authority or "sovereignty" over the air space above its own territorial domain. Under this system, air lines carrying the American flag are now leading in the field of international air commerce. This principle means that foreign air lines cannot land, refuel, and do business in this country, or fly their planes over it, except as authorized in a specific franchise.

The term "freedom of the air" would seem to imply the right of the international air carriers of all nations to fly anywhere and land anywhere and do business anywhere on the face of the earth without restriction of national boundaries. The British interests, who are now the leading exponents of the principle, have broken down the definition into three parts: First, the freedom of peaceful transit over all territories for the aircraft of all nations; second, the free access to airports and other air facilities; third, the freedom to transport international traffic, including goods and passengers, under any flag from any point of origin to any destination.

In general we believe that the unsettled international situation and the unpredictable ultimate results of post-war peace plans call for a continued maintenance, in fact a "freezing," of our policy. We are therefore opposed to any relaxation of our present control of our air space. For the present we must consider complete sovereignty of the air as a necessary principle of national safety. Until the machinery of post-war peace has been designed and made operative it would be unrealistic, in fact national folly, to barter away any military and commercial protection or advantage which sovereignty now gives the United States. \* \* \*

High wage standards are essential in a highly skilled industry like air transportation. Government policy should be devoted to the support of such standards and the protection of the American carrier, maintaining them against cheap labor of foreign powers. Such a policy will react to maintain wage standards in all other forms of transportation and the American standard of living. We have, therefore, suggested in point 1 above that the Congress study this problem.

It is by no means certain that the United Nations will be able to agree on a "decent and durable peace" after the Axis Powers are defeated. In any event, until such a peace is assured, the American people should not sink their Navy; junk, abandon, or sell their merchant marine; barter away our large reserves of aircraft; or in any way relinquish their present advantages in commercial aeronautics and military air power.

I should like also to call attention to a recently published statement by Mr. George Meany, secretary-treasurer of the American Federation of Labor, published in the American Federationist, in which he goes rather thoroughly into the implications of international air transportation as it may affect the future of our



country. I quote two paragraphs from his article:

In the final analysis, let us remember that the whole problem of civilian air transport in the future is inevitably tied to our future as a nation. Who flies airplanes over our country is our business. Who makes the airplanes that fly over our country, and at what wages these planes are made, is also our business. Let us in the case decide coolly and calmly for ourselves what we should do in the air-transport field of the future to protect ourselves. Let us not make such decision on an emotional basis superinduced by a slogan that sounds good to us.

Let those who are interested in avoiding unnecessary unemployment among American workers and in protecting American wage standards from the unfair competition of low-wage countries operating through Government-subsidized monopolies, avoid being carried away by "freedom of the air."

Another interesting article on this subject has been written by Dr. Arthur E. Traxler, and appeared in the December issue of *International Conciliation*, circulated by the Carnegie Endowment for International Peace. In the article he analyzes the various theories and recommendations advanced by certain groups and then summarizes the situation in part as follows:

Commercial air power, whether we like it or not, is going to be a spearhead instrument of national policy so long as any vestige of nationalism remains in the world political structure. To ignore this fact would be dangerous and to neglect it would be suicidal. The policy of the United States on international air transport should be one of enlightened self-interest for the immediate future, coupled with a dynamic long-term policy of international cooperation and good neighborliness.

The idea of "freedom of the air" is admirable as a long-term goal, but it is utterly impracticable under present conditions. With an International Civil Aeronautics Administration, which would necessarily work in cooperation with other international bodies, the ideology of "freedom of the air" is simply a cloak for anarchy in international air transportation. Neither the idealists nor the air-line leaders who take a realistic point of view should stand in the way of an undertaking to secure regulation of world air traffic. The fact that the voices which have been raised in favor of this so-called freedom are articulate and strong will not count in the balance when the problem is really faced and all the facts are represented in international negotiations.

The present practice of the major powers with respect to the securing of operating rights in other countries should be continued. This practice consists of the conclusion of liberal reciprocal agreements between the leading nations and the obtaining of unilateral franchises covering rights to operate air lines in other countries.

Mr. President, thousands of American boys have already given their lives in this war. Thousands upon thousands more will die on the field of battle before it shall end. They do not believe they are giving their lives in vain. They are inspired to go beyond the call of duty in deeds of daring and heroism and to sacrifice life itself in order to preserve to their country—your country and mine—and to their loved ones, and to posterity, that something that we have always regarded even more precious than the life of any individual, that something that we call freedom, that which we term "The American way of life," what the world

knows and recognizes as Christian civilization. We are not fighting a war of conquest. We are not aggressors. We are defenders in this conflict, defending the precious heritage that is ours, that was bought with the price our forefathers had to pay before they could establish this land of the free and the home of the brave. We all know that our country has no desire or war aims to seize territory from, or to encroach upon or destroy, the just rights of any nation as a result of this war. It is not our purpose to take anything away from any other nation, victor or vanquished, that is rightfully theirs. We seek only a world in which the family of nations can live and survive in friendship, peace, and good will. That is our goal. God grant that we may achieve it. But, Mr. President, we, the lovers and defenders of liberty for the human race, must be on guard. We do not want to find ourselves in the position, when the smoke of battle shall have cleared away, or to take any course thereafter which would be tantamount to having acquiesced in, or, much less, of having deliberately arranged through neglect or indifference to give away to other nations anything that rightfully belongs to America, and which is vitally essential to our future posterity and national security.

We should bear in mind the statement of Prime Minister Churchill of England when he said on November 10, 1942, "I have not become the King's First Minister in order to preside over the liquidation of the British Empire."

Mr. President, we are not fighting this war with the purpose of surrendering or liquidating American sovereignty after the military victory shall have been won. Premier Marshal Stalin has repeatedly in public utterances taken a firm stand with reference to the future of his country. These two leaders of our major allies have definitely indicated to the rest of the world that they have no thought of either surrendering or impairing the national sovereignty of their countries when this war shall end, although their governments, as well as ours and others of the United Nations, must pursue a course of collaboration and united effort to maintain peace. Nevertheless, I believe as do they—and the thinking people of America agree—that the way to lasting peace should be found and can be found without the surrender of national sovereignty.

Mr. President, we are doing our full share in this war. Not only are we pouring our own blood on the field of battle, giving the lives of the bravest and best of the fair youth of our land, but we are also, by reason of our abundant resources and tremendous productive capacity, making available through lend-lease and other methods, the sinews of war in large quantities to all of our allies. We are literally taking care of and feeding hundreds of thousands, and possibly millions of refugees and liberated peoples in areas which we have retaken from the enemy.

Oh, yes, Mr. President, some of those peoples and some of those countries may soon forget our generosity, and our great effort and contribution toward their liberation when this war is over, but his-

tory cannot fail to take full account of it. We do not mind these sacrifices. I make no criticism of them. I am glad that my country is able and that our people are willing to make those sacrifices, and to make such a contribution to the needs of humanity. But, Mr. President, I also believe that in doing all those things, and as we fight in battle to achieve what is in the hearts and minds of us all as the clear, immediate objective—the winning of the war—we should not be indifferent to the welfare of our country, nor to its future security, the happiness and prosperity of our people when this war shall end. Duty and devotion to country compel diligent, intelligent, and courageous statesmanship as we undertake the solution of this tremendous and vital problem.

#### APPROPRIATIONS FOR THE MILITARY ESTABLISHMENT

The Senate resumed the consideration of the bill (H. R. 4967) making appropriations for the Military Establishment for the fiscal year ending June 30, 1945, and for other purposes.

Mr. THOMAS of Oklahoma. Mr. President, I ask for the regular order, which is action on the pending amendment, so that we may finish the amendments on the War Department appropriation bill.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 31, line 3, striking out "\$1,800,217,000" and inserting "\$1,799,000,000."

Mr. WHITE. Mr. President, will the Chair advise me what is immediately before the Senate?

The PRESIDING OFFICER. The question before the Senate is the amendment just stated by the Chair on page 31, line 3.

Mr. WHITE. It is a committee amendment, as I understand?

The PRESIDING OFFICER. It is a committee amendment.

Mr. WHITE. Very well.

Mr. BALL. Mr. President, the junior Senator from Michigan [Mr. FERGUSON] has discussed the Canol project at some length. I understand from him that no amendment to eliminate the project from the pending bill is to be offered. I think that is a wise decision. At this late hour, obviously it could not have the consideration which it should have. However, before the amendment is adopted I desire to express my general agreement with the statement made by the junior Senator from Michigan.

I sat on the Truman committee during the whole investigation of the Canol project and while the original intent of finding new sources of oil unquestionably was sound, I think the evidence we collected demonstrated that long after the feasibility and wastefulness of the project from an economic point of view had been proved the War Department insisted on bulling it through regardless of cost. It is true that there is a tremendous amount of waste involved in fighting a war, but it seems to me that when the usefulness of a given project has been demonstrated, as it has been

demonstrated in the case of this project, there is no excuse for going on with it.

I merely want to add that, as a member of the Appropriations Committee, I hope that next year this bill will come to the Senate soon enough so that the committee may really dig into this particular item.

Mr. WILLIS. Mr. President, will the Senator yield?

Mr. BALL. I yield.

Mr. WILLIS. Can the Senator inform me whether there was ever a specific appropriation by the Congress for the Canol project?

Mr. BALL. I understand there was an item of \$25,000,000 in an appropriation bill 2 years ago.

Mr. WILLIS. The total amount expended to date approximates what sum?

Mr. BALL. The amount is approximately \$135,000,000, as I recall.

Mr. WILLIS. So it is revealed that, regardless of whether Congress makes the appropriations, these wasteful projects go on?

Mr. BALL. As the Senator knows, since the beginning of the war military appropriations have been lump-sum appropriations, with very wide latitude in the expending agencies.

Mr. WILLIS. And this shows the wisdom of giving a little more specific attention to and providing limitations on some of these appropriations.

The PRESIDING OFFICER. The question is on agreeing to the amendment on page 31, line 3.

The amendment was agreed to.

The PRESIDING OFFICER. The Clerk will state the next amendment reported by the committee.

The next amendment was, on page 31, line 3, after the amendment last agreed to, to strike out "of which \$1,217,000 shall be available for obligations incurred prior to July 1, 1944."

The amendment was agreed to.

The next amendment was, on page 32, line 15, after the word "purposes", to strike out the following proviso: "Provided further, That, notwithstanding any other provision of law, the Secretary of War shall not be authorized to lease, sell, or otherwise dispose of any lands acquired or owned by the United States prior to July 2, 1940, nor shall he declare any such lands surplus for disposition by any other officer, board or commission: *Provided further*, That this prohibition shall not apply to nor prevent the transfer of real estate or other property to the Veterans' Administration for the care and treatment of veterans", and in lieu thereof to insert the following: "Provided further, That notwithstanding any other provision of law, the Secretary of War shall not be authorized to sell any military post, or reservation, nor part thereof, acquired or owned by the United States prior to July 2, 1940, nor shall he declare any such military post, or reservation, nor any part thereof, surplus for disposition by any other officer, board or commission: *Provided further*, That this prohibition shall not apply to nor prevent the transfer of real estate or other property to the Veterans'

Administration for the care and treatment of veterans or to the Navy Department."

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments.

Mr. THOMAS of Oklahoma. Mr. President, I submit an amendment correcting a total in one particular.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 35, line 4, it is proposed to strike out "\$2,197,212,500" and insert "\$2,195,995,500."

The amendment was agreed to.

Mr. BALL. Mr. President, I move to amend the bill on page 15, line 24, by striking out the words "military or." I offer this amendment on behalf of the Senator from South Dakota [Mr. GURNEY], who proposed it in the committee. The chairman of the subcommittee in charge of the bill, the Senator from Oklahoma, has already discussed it, and I believe is willing to accept it.

Mr. THOMAS of Oklahoma. Mr. President, the proposal came up for discussion in the committee and the committee had no objection to the amendment. Later the subject matter was referred to the Department and I have a communication from the Secretary of War of date June 20. I am glad to accept the amendment, and, following action on the amendment, I ask that the original letter sent to the committee by the Secretary of War be published in the CONGRESSIONAL RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment offered by the Senator from Minnesota [Mr. BALL] on behalf of the Senator from South Dakota [Mr. GURNEY].

The amendment was agreed to.

The letter ordered printed in the RECORD on request of Mr. THOMAS of Oklahoma is as follows:

WAR DEPARTMENT,  
Washington, June 20, 1944.

Hon. ELMER THOMAS,  
Chairman, Subcommittee on War Department Appropriations, Committee on Appropriations, United States Senate.

DEAR SENATOR THOMAS: Reference is made to your inquiry concerning the proviso of H. R. 4967 (Military Appropriation Act, 1945) beginning on page 15, line 19, and ending on page 16, line 3, which reads as follows: "Provided, That no appropriation contained in this act shall be available for payment to or expenditure on account of any military or civilian personnel employed outside continental United States to paint or otherwise reproduce war scenes except by means of photography, or to paint portraits, or for payment to or expenditure on account of any military personnel within continental United States who engage in decorative art projects or painting portraits to the exclusion of regular military duties"; and the effect of eliminating from that proviso the words "military or" contained in line 3 of the proviso.

The effect of the elimination of the words "military or" from line 3 of the proviso would be to remove the restriction against using military personnel outside continental United States to paint or otherwise reproduce war scenes.

Because of the scarcity of manpower, it is the policy of the War Department to utilize every available man in the Army for strictly military activities directly connected with prosecuting the war. However, there is some responsibility to those participating in this war and to those who may participate in future wars, to place on canvas the more outstanding war scenes characteristic of this global struggle. This has been done in past wars and is now being done by the Navy, the Marine Corps, and our allies in the present war.

If the words "military or" are eliminated, as has been suggested, it would permit the War Department to utilize such talent as it now has, in small numbers, to depict on canvas characteristic war scenes abroad. Under no circumstances will it permit the appointment of civilians to a commissioned status or will it accept civilians for induction solely for these purposes.

Sincerely yours,

HENRY L. STIMSON,  
Secretary of War.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 4967) was read the third time and passed.

Mr. THOMAS of Oklahoma. I move that the Senate insist upon its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer appointed Mr. THOMAS of Oklahoma, Mr. HAYDEN, Mr. OVERTON, Mr. RUSSELL, Mr. TRUMAN, Mr. REYNOLDS, Mr. BRIDGES, Mr. GURNEY, and Mr. BROOKS conferees on the part of the Senate.

STATEMENT BY OLIVER LYTTLETON,  
BRITISH MINISTER OF PRODUCTION

Mr. SHIPSTEAD. Mr. President, there is an old definition of diplomacy which has been recognized all over the world as the most classic of all, given a long time ago by Clausewitz, who said that diplomacy is merely an extension of politics. Consequently, while it has been admitted to be true that diplomacy is an extension of politics, under the euphonious name of "diplomacy," international politics is naturally an extension of national politics, and a reflection of national politics. Clausewitz has also been quoted as saying that war is an instrument of politics. National politics may be designated, again, as a difference of opinion which comes to the top as a reflection of the thought of the people of a nation. International politics, usually called diplomacy, is, therefore, a matter of conflict of opinions and politics in international affairs.

It has been said that diplomats have their ways in clouds and darkness, but try to do things well. Their duty is to try to carry into action the policies of those in control of a nation's foreign politics.

It is an established opinion among men who understand politics—which I



do not pretend to do—that the best policy in politics is to say as little as possible. However, there are times when a man must speak whether it is diplomatic or politic to do so.

I have much sympathy for the man who is quoted in the newspapers today. He is the Minister of Production in Great Britain, and a cabinet officer, Oliver Lyttelton, who is quoted as having made a speech at the American Chamber of Commerce in London in which he said, "It is a travesty of history to say that America was forced into the war."

The Senator from Illinois [Mr. Lucas], for whom I have high regard, this morning asked for Mr. Lyttelton's resignation. I am a human being, or I hope I am, and I think the honorable gentleman should be excused. He is not a politician, he is not a diplomat, and for that reason I think we can excuse him. I assume he was in the navy establishment when the present Prime Minister was Lord of the Admiralty, so I believe that the castigation and statement of the Senator from Illinois, to the effect that he should resign, was a little severe.

Evidently Mr. Lyttelton wanted to compliment the Government of the United States for its assistance to Great Britain, and so he said, "It is a travesty of history to say that America was forced into the war."

When, according to the press, the consternation the statement aroused in the United States and also in Britain was called to his attention, he turned diplomat. A few hours later he changed his statement, and said that what he really meant was to compliment the Government of the United States for coming into the war as early as it did.

I wish to express my feeling of sympathy for this man, who has made a mistake, an honest mistake. Had he been a diplomat or a politician, he perhaps would not have made the statement. We have to make allowances for people. He evidently had not been trained in politics or in diplomacy.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. SHIPSTEAD. I yield.

Mr. BARKLEY. I am informed that in the Parliament today Mr. Lyttelton, who is the subject of the comments of the Senator, and who is quoted as having made the speech yesterday, commented upon his remarks of yesterday, and made a very comprehensive apology for what he said, and practically told the Parliament that his continuance in office was entirely within their hands, that he did not resign, but he admitted he had made a serious mistake, and that it was up to the Parliament to determine whether he should remain in office. It was an honorable acknowledgment of a serious error of judgment in making the statement he did make.

Mr. SHIPSTEAD. I have no doubt that the gentleman is a very honorable gentleman, and spoke what he thought was the truth, and evidently he came to the conclusion that he should not have said it. It was a mistake any human being could have made. Even some Senators sometimes make such mistakes, although we do not always admit it.

In view of the retraction he made, in the circumstances under which he made it, I do not think we should demand his resignation. He may be of great service to His Majesty's Government, and evidently not having been trained as a politician or a diplomat, like all human beings, talked "out of turn" even if he told the truth.

However, I should like to have the entire report of this incident, as printed in the New York Times, including the statement of refutation by Secretary Hull, printed in the RECORD. I think Secretary Hull is entitled to have his statement in the RECORD. I have always had the highest regard for our Secretary of State, and he cannot be blamed because all diplomats and all members of foreign cabinets may not be as discreet as he is. I certainly do not want to cast any reflection on our Secretary of State, or on his honor, or his magnificent capacity for silence, which was not emulated by Mr. Lyttelton.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Minnesota?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

**HULL AGAIN DENIES WE INCITED JAPAN—UNPARALLELED STATEMENT ISSUED DESPITE LONDON MINISTER'S RETRACTION OF CHARGE**

WASHINGTON, June 20.—Secretary of State Cordell Hull declared tonight that an assertion by Oliver Lyttelton, British Minister of Production, today that the United States had provoked Japan to attack Pearl Harbor was "entirely in error as to the facts and fails to state the true attitude of the United States."

The United States, Mr. Hull said, was actuated by the "single policy of self-defense" and Japan's attack was "unprovoked."

[The United Press quoted the British Minister as follows: "Japan was provoked into attacking the Americans at Pearl Harbor. It is a travesty on history ever to say that America was forced into the war. Everyone knows where American sympathies were. It is incorrect to say that America was ever truly neutral, even before America came into the war on an all-out fighting basis."]

Mr. Lyttelton made his remark as an extemporaneous interpolation in a prepared address he was delivering before the American Chamber of Commerce in London. Subsequently an official addition was made to his extemporaneous remark to the effect that Japan was distinctly the aggressor nation.

This addition, in the nature of a qualification, was not regarded here as changing essentially the point of his original remark, nor as a retraction of that remark.

When Secretary Hull had satisfied himself of the accuracy of the report of Mr. Lyttelton's address, which was directed in main to the theme of lend-lease, he issued his statement. It was intended to set the record straight from the American standpoint. It also reflected the considerable indignation in the State Department over the British Minister's remark.

#### HULL STATEMENT

The statement follows:

"Unfortunately the statement of the British Minister of Production is entirely in error as to the facts and fails to state the true attitude of the United States both during the earlier stages of military preparation for world conquest by Germany and Japan and during the later aggressions by these two countries.

"This Government from the beginning to the end was actuated by the single policy of

self-defense against the rapidly increasing danger to this Nation. The aid given to Great Britain and other countries who were resisting conquest was, in the words of the Lend-Lease Act, 'vital to the defense of the United States.'

"Japan for years had notoriously pursued a program of the widest conquest. In 1931 she seized Manchuria; in 1937 she invaded China; in 1940 she entered Indochina, and finally in 1941 she launched the unprovoked attack on the United States at Pearl Harbor."

#### HULL ACTION UNPARALLELED

The repudiation of Mr. Lyttelton's assertion was unprecedented in this war. Never before has a high official felt called upon to repudiate flatly an utterance of a ranking and responsible official of an Allied government.

Moreover, the fact that the qualification issued in London was not considered as disposing of the matter sufficiently for Mr. Hull to consider a statement unnecessary indicated that further clarification of the incident might be in order.

Mr. Lyttelton has the reputation of being an official who would not ordinarily blunder. One theory is that he may have thought he was paying the United States a compliment by making the point that this country was not a cringing nation before the Japanese imperialists.

Whatever the explanation, it would be regretted if Japan took the incident as a gesture toward her from her former ally, Britain, which, Tokyo might believe, was thinking of the first two decades of this century, when the two Empires stood together in the Far East against czarist Russia.

Secretary Hull's first reaction to the London report revealed that he would check its accuracy and that then something might be said here. When he held his press conference at noon he said he had just heard of the remark and so must reserve his views.

#### HULL DENOUNCED JAPAN'S NOTE

His statement this evening recalled to many his denunciation of the Japanese note handed him as Pearl Harbor was under attack on December 7, 1941. Upon reading the note Mr. Hull denounced it to the Japanese envoys, Admiral Kichisaburo Nomura and Saburo Kurusu, as containing infamous falsehoods and distortions.

Last year the State Department issued its White Book on the diplomacy of the Pacific in the decade from 1931 to 1941 to show how Japan had long been bent upon aggression and would not stop at war.

Members of Congress reacted instantly to Mr. Lyttelton's remark.

Representative SOL BLOOM of New York, chairman of the House Committee on Foreign Affairs, was emphatic in his comment.

"If it is correct that Mr. Lyttelton made this statement," Mr. Bloom said, "he does not know what he is talking about, and if he really did say what he is quoted as having said, he is a very dangerous man to have occupying the position he occupies today."

"I can hardly believe that any sane person who knows anything about the situation would ever make a statement of this kind, for there is absolutely no truth in it."

Representative CHARLES A. EATON, of New Jersey, ranking Republican member of the House Foreign Affairs Committee, said:

"We could no more have escaped getting into this war than a ship can escape the water it is sailing in. Japan and Germany got us into the war and the only way we can get out of it is to defeat them both."

#### HALIFAX REPORTED PERTURBED

WASHINGTON, June 20.—The British Information Service would not comment on Minister Lyttelton's remarks, but it was understood that Viscount Halifax, British Ambassador, was so perturbed by his statement

that he telephoned 10 Downing Street, home of Prime Minister Churchill, and asked for a full report. It was emphasized in British circles here that the issue was of such importance that any reaction must come from London.

Mr. Lyttelton authorized his secretary to say that he did not dispute the published version of his statement, but that he had made his remarks as an aside and phrased them badly, a London dispatch said.

#### MINISTER EXPLAINS REMARKS

(By John MacCormac)

LONDON, June 20.—British Minister of Production Lyttelton made a luncheon speech today intended to cement Anglo-American relations, then had to amend it because of interpretation placed upon his remarks. What he meant to say was that the United States long before it was attacked by Japan was morally against the Axis, but what he was reported to have said was that America behaved in such a way that she provoked Japanese attack on Pearl Harbor.

Tonight the Minister of Production issued a written clarification of his remarks. The vexatious passage in his luncheon speech was not incorporated in the prepared text.

Long after his speech had been delivered and reported Mr. Lyttelton said he would like to have included in it the following paragraph to clarify the "obvious misunderstanding":

"I wish to make the point that the Americans did not wait until they entered the war before showing where their sympathies lay, and the aid they gave Britain will always be remembered with the liveliest sense of gratitude. This aid was, of course, directed to the war against Germany and could not be regarded as provocation by a peace-minded Japan. But the Japanese aggressor chose to regard it as provocation and made the unjustified, treacherous attack at Pearl Harbor."

Mr. SHIPSTEAD. Mr. President, I also refer to an editorial from the Wall Street Journal, the edition of this morning, entitled "Calling for the Facts," and with the permission of the Senate, unless there is some pending business which the majority leader or the minority leader desires to press, I should like to read it, and I should like to have the Senate in possession of the information.

Mr. BARKLEY. I have no objection to the Senator reading it, regardless of whether there is any pending business or not. We hope to have some pending pretty soon.

Mr. SHIPSTEAD. If the reading of the article interferes with business, I will yield to the Senator for the transaction of business.

The editorial published in the Wall Street Journal under the heading "Calling for the facts" is interesting, informative, and, I believe, important. It is as follows:

#### CALLING FOR THE FACTS

The United Press quotes Capt. Oliver Lyttelton, a member of the British war cabinet, as saying that America provoked Japan to the attack on Pearl Harbor, the event which brought this Nation into the war as an active belligerent. "It is a travesty on history ever to say that America was forced into the war," are the words which Captain Lyttelton is represented as speaking to a luncheon of the American Chamber of Commerce in London.

An addition to the official text of the speech issued some hours after first reports of it were published puts a somewhat different aspect on the minister's remarks. However,

explanations in cases of this kind do not always close the incident.

Now that the question has been raised in London—so many vital questions seem to be raised there while we are adjured to silence on this side of the water—would it not be an excellent idea to settle it once for all?

The simple way to do that is to disclose all the facts of the Pearl Harbor attack and the events which led up to it. That has never been done.

We have been told that the administration at Washington expected an attack by Japan. We have not been told why, in the light of those expectations, our fleet was lined up in the harbor like so many sitting ducks. We have never learned what particular qualifications raised the commander of that fleet to his high position. We have never learned clearly what orders he had from those Washington officials who, according to later writings, expected the attack. It would be interesting to know why the Secretary of the Navy on the very morning of December 7, 1941, issued an annual report stating that the Navy was ready and to contrast that statement with later statements of Admiral King which seem to show that the Navy was anything but ready.

Probably the great majority of American people believe, as does this newspaper, that sooner or later the Japanese meant to attack this Nation. That still leaves the question of whether or not a wiser diplomacy could have postponed the attack until we were more nearly ready.

Whatever he meant to do or say, Captain Lyttelton has raised an interesting question. The times being what they are, we should expect to hear more of it.

Mr. President, I think that when the proper time comes the Senate should take cognizance of the debates in the House of Commons, and ask ex-Ambassador Kennedy to come here and let us know whether he permitted the secret code of the Government of the United States to be used by Winston Churchill; whether that was done by the consent of our then Ambassador. I cannot believe that Winston Churchill, while Lord of the Admiralty, would connive with this man Kent, a subordinate in the American Embassy. That would be an insult to his intelligence, and he is a very intelligent man.

The Senator from Nebraska [Mr. WHEAT] earlier today made an eloquent speech in answer to the speech delivered some days ago by the Senator from New Mexico [Mr. HATCH]. I have the highest regard for both Senators. Their sincerity of purpose and desire for world peace cannot be questioned by anyone.

I shall occupy the time of the Senate for a few moments to call the attention of the Senate to what I consider is the difficulty of arriving at a just peace. It is difficult enough to obtain justice and agreement and unity in national politics, and national politics is extended into international politics. Since that is true, there must always be conflict in international politics, sometimes called diplomacy. When there is conflict, then as Clausewitz says, war becomes an instrument of national politics and of international politics. Much is said about means of attaining peace in this world. Everyone desires peace. I do not cast reflection upon anyone who disagrees with me concerning the ways of attaining

peace. In my opinion there is but one way to attain a real peace, and that is by having a treaty of peace of such a nature that the people of the various countries involved can live and make a living, and be rid of exploitation by foreign nations in the matter of raw materials, markets, and so forth. The will to peace by all governments involved must be sincere, and they must be willing to work in a spirit of sincerity, in a spirit of give and take, not for the purpose of having balances of power, or having the kind of treaty of peace that permits the great and powerful nations to exploit the thousands of millions who do not have military power. Such treaties have been the cause of much trouble in the past. They are a reflection of national politics, which becomes international politics, and then war. Unless a real treaty of peace can be signed there cannot be any hope of enduring peace. Unless we have a real peace treaty signed we can be assured that men will continue to be born to battle, to slay and to be slain. Unless a real peace treaty is adopted the talk of permanent peace is but prattle, it is a dream that is half insane.

Mr. CONNALLY. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a newspaper article containing the statement by Secretary of State Hull with reference to the supposed statement by Oliver Lyttelton, British Minister of production.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### LYTTELTON'S WORDS DENOUNCED BY HULL— FORMAL STATEMENT DECLARES BRITON "ENTIRELY IN ERROR"

Secretary of State Cordell Hull last night denounced in a formal statement yesterday's remarks by the British Minister of Production, Oliver Lyttelton as "entirely in error as to the facts" and failing to state the true attitude of the United States.

Hull ordinarily does not comment on public statements, but, because of the furore raised by Lyttelton's declarations, he issued the following formal statement after Lyttelton had explained his remarks:

"Unfortunately the statement of the British Minister of Production is entirely in error as to the facts, and failed to state the true attitude of the United States both during the earlier stages of military preparations for world conquest by Germany and Japan and during the later aggressions by those two countries.

"This Government from the beginning to the end was actuated by the single policy of self-defense against the rapidly increasing danger to this Nation. The aid given to Great Britain and other countries who were resisting conquest was, in the words of the Lend-Lease Act, 'vital to the defense of the United States.'

"Japan for years had notoriously pursued the program of the widest conquest. In 1931 she seized Manchuria; in 1937 she invaded China; in 1940 she entered Indochina; and finally in 1941, she launched the unprovoked attack on the United States at Pearl Harbor."

#### DISTRICT OF COLUMBIA APPROPRIATIONS

Mr. O'MAHONEY. Mr. President, I move that the Senate proceed to consider House bill 4861, the bill making appropriations for the District of Columbia.



The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 4861) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1945, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

#### EXTENSION OF SUSPENSION IN PART OF PROCESSING TAX ON COCONUT OIL

Mr. GEORGE. Mr. President, I have conferred with the Senator from Wyoming [Mr. O'MAHONEY], in charge of the District of Columbia appropriation bill, and it is agreeable to him that the Senate take up for immediate consideration House bill 4837, which was unanimously favorably reported by the Senate Finance Committee earlier today. I therefore move that the pending measure be temporarily laid aside, and that the Senate proceed to consider House bill 4837.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 4837) to extend for an additional 2 years the suspension in part of the processing tax on coconut oil, which had been reported from the Committee on Finance with amendments.

Mr. GEORGE. Mr. President, this bill extends an act which was passed by the Congress a little more than 2 years ago suspending in part the duty on coconut oil and copra for a period of 2 years. That period expires on June 30. A processing tax of 3 cents was levied in 1934 on coconut oil and copra, copra being the raw material from which the oil is made. An additional 2 cents was levied on the same products not derived wholly from Philippine production or the production of our own insular possessions. The obvious purpose was to give preference to the Philippines. Actually, between 1937 and 1939 we imported 99.1 percent of all coconut oil from the Philippines, and 93.1 percent of all copra from the Philippines. So nearly all our importations came from the Philippines, and the processing tax was paid by manufacturers and users of the raw products.

It is desirable to extend this partial suspension again, because the Philippines are receiving no benefit from the processing tax, and it simply adds to the cost. Coconut oil and copra are one of the chief sources of glycerine, which is a highly necessary war product. The extension was recommended by all the appropriate agencies of the Government which were consulted, and the bill was unanimously passed by the House.

The Senate committee has added one amendment to the bill. The amendment merely corrects a typographical error in the tax simplification bill recently passed by the Congress. Persons having a gross adjusted income of at least \$1,075, and not more than \$1,100, according to the table printed in the bill actually signed by the President, were to pay a tax of \$100, whereas the bill as it passed the House and Senate fixed the

tax at \$110. The amendment reported by the Senate Finance Committee is merely to correct that typographical error.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. WHITE. Do I correctly understand the Senator to say that in addition to the approval of the various governmental agencies interested in the matter, the bill comes to the Senate with the unanimous approval of the Finance Committee?

Mr. GEORGE. It does.

The PRESIDING OFFICER. The clerk will state the amendment reported by the committee.

The amendment of the Committee on Finance was, on page 1, after line 6, to insert a new section as follows:

Sec. 2. (a) Section 400 of the Internal Revenue Code, as amended, is amended by striking out, in the third column of the table contained therein, the figures "100" the second time they appear in such column and inserting in lieu thereof the figures "110."

(b) The amendment made by subsection (a) shall apply to the computation of income tax under Supplement T of chapter 1 of such Code in the case of taxable years beginning after December 31, 1943.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill H. R. 4837 was read the third time and passed.

The title was amended so as to read: "An act to extend for an additional 2 years the suspension in part of the processing tax on coconut oil, and to correct a typographical error in the Individual Income Tax Act of 1944."

Mr. GEORGE. Mr. President, I thank the Senator from Wyoming for his courtesy.

Mr. O'MAHONEY. The Senator from Georgia is very welcome.

#### DISTRICT OF COLUMBIA APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 4861) making appropriations for the Government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1945, and for other purposes.

Mr. O'MAHONEY. Mr. President, there is nothing controversial in this supply bill for the District of Columbia. The measure, as it passed the House of Representatives, contained an appropriation of \$68,585,607. In the Senate there was added to this sum \$563,441, most of which is accounted for by supplemental estimates which were submitted by the Bureau of the Budget after the House had acted. There were one or two further items—three, as a matter of fact—the largest of which was \$61,779, to supply housekeeping assistance under the Health Department. I am sure that Senators will find from an examination of the report, which I ask unanimous consent to have printed in the Record

at this point, that the recommendations of the committee should be accepted. As I say, there is nothing controversial in the bill, and I ask that the Senate now proceed to the consideration of the committee amendments.

There being no objection, the report (No. 988) was ordered to be printed in the RECORD, as follows:

The Committee on Appropriations, to whom was referred the bill (H. R. 4861) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1945, and for other purposes, report the same to the Senate with various amendments and present herewith information relative to the changes made:

Amount of bill as passed House\_ \$68,585,607  
Amount added by Senate\_\_\_\_\_ 563,441

Amount of bill as reported to Senate.....	69,149,048
Amount of regular and supplemental estimates for 1945.....	67,849,959
Amount of appropriations, 1944.....	58,127,344
The bill as reported to the Senate—	
Exceeds the estimates for 1945.....	1,299,089
Exceeds the appropriations for 1944.....	11,021,704

#### SUPPLEMENTAL ESTIMATES

The committee had before it for consideration in connection with the District of Columbia appropriation bill for the fiscal year 1945, the following supplemental estimates contained in Senate Document No. 200:

- (1) Regulatory agencies. Department of Insurance..... \$6,351
- (2) Public schools: Permanent improvement of grounds, as follows: Stabilization and drainage of the grounds at the Young Elementary School, Browne Junior High School, and Phelps Vocational School..... 110,000
- (3) Fire Department: To provide funds to cover increases made under Public Law 297, approved May 5, 1944, for captains, lieutenants, and sergeants..... 48,000
- (4) Courts: Municipal court (reallocation increases approved by the Civil Service Commission since the Budget was transmitted to Congress)..... 14,700
- (5) Health Department: Glenn Dale Tuberculosis Sanatorium..... 19,000  
Gallinger Municipal Hospital..... 66,184
- (6) Public Welfare: Capital outlay, child care (site for a new receiving home and admission center for children)..... 30,000  
Capital outlay, Juvenile Correction Service (site for National Training School for Girls and other public-welfare institutions)..... 58,000
- (7) Public Works: Office of Municipal Architect..... 16,600

Total supplemental estimates..... 368,835

The changes in the amounts of the House bill recommended by the committee are as follows:

#### Increases and limitations

Regulatory agencies:  
Department of Insurance..... \$6,351

This increase was proposed in S. Doc. 200 for the following:

Deputy Superintendent, P-5.....	\$4,600
Rate clerk, CAF-9.....	3,200
Clerk-stenographer, CAF-4.....	1,800
Overtime.....	900
Gross increase.....	10,500
Less 1 position to be absorbed, \$3,800 plus \$300 overtime.....	-4,100
	6,400

(This item is recommended in a supplemental Budget estimate contained in S. Doc. 200.)

Minimum Wage and Industrial Safety Board:	
1 inspector, Industrial Safety Unit, SP-6.....	2,000
Overtime for proposed position.....	300
Travel.....	60

Total, Minimum Wage and Industrial Board.....	2,360
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Office of Recorder of Deeds:	
Salaries.....	4,692

Public Utilities Commission:	
Printing of laws of Public Utility Commission.....	650

Total, regulatory agencies.....	14,053
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#### Public schools:

Operating expenses:	
General administration:	
Department of school attendance and work permits:	
2 attendance officers.....	2,800
1 clerk, CAF-3.....	1,620
Clerical service room:	
3 clerks, CAF-2.....	4,320
Statistical office: 1 clerk, CAF-3.....	1,620
Adjusted amount for wartime additional compensation and overtime pay.....	1,745

Total, general administration.....	12,105
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General supervision and instruction:	
8 clerks, CAF-3 (10 months).....	10,800
Overtime pay for 8 clerks (10 months).....	2,000
Restoration of over-all reduction.....	12,800

Total, general supervision.....	25,600
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#### Capital outlay:

For permanent improvement of grounds, as follows: Stabilization and drainage of the grounds at the Young Elementary School, Browne Junior High School, and Phelps Vocational School.....	110,000
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(This amount is recommended together with the unexpended balance of the appropriation of \$25,000 for stabilization and drainage of the grounds of the Browne Junior High School and Phelps Vocational School contained in the District of Columbia Appropriation Act, 1944.)

(This item was recommended in a sup-

#### Public schools—Continued.

##### Public outlay:

plemental budget estimate contained in S. Doc. 200.)

For an additional amount for the construction of a new extensible 8-room elementary school building, in the vicinity of Hillside Road and Alabama Avenue SE....

\$45,000

Total, public schools.....

192,705

#### Recreation Department:

##### Operating expenses:

2 senior recreation directors, Sp 5.....	3,600
4 recreation directors, Sp. 4.....	6,480
1 messenger, CPC-3.....	1,320
Overtime.....	2,100

Total, Recreation Department.....

13,500

#### Metropolitan Police:

The committee recommend that the following language be stricken from the bill: "the present property clerk with the rank and pay of inspector."

The committee recommend that the following language be stricken from the bill: "with the rank and pay", and that the following be inserted in lieu thereof: "in the salary grade."

Fire Department.....

48,000

This proposed increase is based on a supplemental estimate included in S. Doc. 200, in order to provide funds to cover increases made under Public Law 297, approved May 5, 1944, for captains, lieutenants, and sergeants in the Fire Department.

#### Department of Civilian Defense:

The committee recommend that the following provision be amended as indicated:

"For all expenses necessary for carrying out the provisions of the act of December 26, 1941, to authorize black-outs in the District of Columbia, as amended, including the protective services of the Citizens Defense Corps; the employment of personal services without regard to civil-service or classification laws, and printing and binding; \$100,000, to remain available until expended."

The Commissioners stated that since the passage of the bill in the House, they have received notice that it is the desire of the War Department to decrease civilian-defense activities, and they are accordingly now in process of effecting economies in expenditures for those activities, and now feel that an adequate civilian defense organization can be maintained during the fiscal year 1945 within the amount allowed by the House bill, which was a decrease of \$50,000 under the Budget estimates.

However, the proposed change of language is necessary in order to include within the activities proposed to be covered by this appropriation item the civilian war services division, under the authority of an amendment to the Black-out Act approved July 13,

#### 1943, Public Law 145, 78th Cong. Courts:

Juvenile court: 1 probation officer at \$2,000 plus overtime.....	\$2,300
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#### Municipal court:

Reallocations.....	14,700
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Recommended in a supplemental budget estimate contained in S. Doc. 200.

1 CAF position, \$1,620 per annum plus overtime.....	1,920
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Total, municipal court.....

16,620

#### Municipal court of appeals:

3 law clerks, P-2, at \$2,600 each.....	7,800
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Overtime of the 3 law clerks at \$300 each.....	900
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Total, municipal court of appeals.....

8,700

Total, courts.....

27,620

#### Health Department:

Health Department (excluding hospitals): Housekeeping assistance.....

61,779

(The committee recommend this amount to continue this service during the fiscal year 1945, and to provide for an increase in the number of housekeeping aides from 30 to 50.)

The committee recommend that the following language be added to the bill: "including housekeeping assistance in cases of authentic indigent sick."

Glenn Dale Tuberculosis Sanatorium.....

19,000

The amount recommended by the committee, and proposed in a supplemental budget estimate contained in Senate Document 200, is for the following purposes:

3 chauffeurs, CPC-4, at \$1,500.....	\$4,500
Overtime for 3 chauffeurs.....	900
Rental of 3 busses, 365 days at \$4.70 per day each.....	5,260
Maintenance of busses, 76,300 miles, at \$0.11 per mile.....	8,404

Total.....

19,064

#### Gallinger Municipal Hospital:

To increase salary of the Superintendent from \$6,500 to \$9,500 per annum.....

3,000

Repairs and improvements.....

66,184

The amount of \$66,184 recommended by the committee is for the following purposes:

#### Psychopathic ward:

(a) Painting exterior woodwork and metal work.....	\$15,000
(b) Repair of all damaged plaster.....	1,250
(c) Replacement of main lobby floor with terrazo floor.....	3,000
(d) Sanding and refinishing wood floors.....	2,000
(e) Surfacing all concrete floors with asphalt tile.....	9,000



## Health Department—Continued.

(f) Shades, draperies, pictures, furniture, etc.....	\$3,000
(g) Protection of all stairwells by screens except the administration and pediatric wings.....	6,000
Painting ward buildings 2 and 3..	15,000
Painting nurses' home and refinishing floors.....	12,000
Total.....	66,250

(This increase of \$66,184 is recommended in a supplemental Budget estimate contained in S. Doc. 200.)

Total, Gallinger Municipal Hospital.....	\$69,184
Total, Health Department..	149,963

## Public Welfare:

Family welfare service: For acquisition of site for a new receiving home and admission center for children.....

30,000

The committee recommends that the unexpended balance of the appropriation of \$121,300 for the construction of a new receiving home for children on land owned by the District of Columbia in square 2885, contained in the District of Columbia Appropriation Act, 1942, be rescinded.

This proposed appropriation and repeal of the unexpended balance referred to were recommended in a supplemental budget estimate contained in S. Doc. 200.

## Juvenile correctional service:

Capital outlay: National Training School for Girls..

58,000

The committee recommends that the following provision be added to the bill:

"Capital outlay: For the acquisition of land in the vicinity of the District Training School near Laurel, Md., as a site for the National Training School for Girls, \$58,000, together with the unexpended balance of the appropriation of \$42,000 for this purpose contained in the District of Columbia Appropriation Act, 1944: *Provided*, That title to said property shall be taken directly to and in the name of the United States, and in case a satisfactory price cannot be agreed upon for the purchase of said property, the Attorney General of the United States, at the request of the Commissioners, shall institute condemnation proceedings to acquire such property as may be selected

## Public Welfare—Continued.

in accordance with the laws of the State of Maryland, and expenses of procuring evidences of title or of condemnation, or both, shall be paid out of this appropriation: *Provided further*, That the unexpended balance of the appropriation of \$40,000 for the construction of temporary buildings for the National Training School for Girls on a new site to be acquired in Maryland, contained in the District of Columbia Appropriation Act, 1944, is reappropriated and made available for repairs, alterations and improvements to existing buildings on the site to be acquired for said National Training School for Girls, including furniture and equipment and the installation of necessary utilities."

The foregoing item was proposed in a supplemental budget estimate contained in S. Doc. 200. In recommending this item, the committee does so with the understanding that before any commitments of any kind are made, and before the inmates in the present National Training School for Girls are transferred to some other location, a complete report on the present operation and cost of the National Training School for Girls, the proposed site to be purchased, the building program involved, the number of inmates to be housed, and all other pertinent information and data relating to the present operation and cost of the National Training School for Girls and the program planned for this institution, shall be made to the Senate and House Committees on Appropriations by the Public Welfare Board through the Commissioners of the District of Columbia within 6 months from the beginning of the fiscal year 1945.

Total, public welfare..... \$88,000

## Public works:

Office of Municipal Architect:  
For test borings and soil investigations in connection with construction projects for which plans and specifications will be prepared by the office of the Municipal Architect.....

16,600

(This increase was recommended in a supplemental budget estimate contained in S. Doc. 200.)

## Public Works—Continued.

Position of maintenance engineer.....	\$3,000
Total, office of Municipal Architect.....	19,600
Department of Vehicles and Traffic: Traffic lights.....	10,000
Total, public works.....	29,600
Total increase.....	563,441
Amount of bill as reported to Senate.....	69,149,048

The PRESIDING OFFICER. The clerk will state the amendments reported by the committee.

The first amendment of the Committee on Appropriations was, under the heading "Fiscal service," on page 5, line 10, after "(36 Stat. 967)", to insert a semicolon and "and including \$10,000 for change-making purposes."

The amendment was agreed to.

The next amendment was, under the heading "Regulatory agencies," on page 7, line 23, after the words "Department of Insurance", to strike out "\$41,949" and insert "\$48,300."

The amendment was agreed to.

The next amendment was, on page 8, line 13, after the name "Minimum Wage and Industrial Safety Board", to strike out "\$36,562" and insert "\$38,922."

The amendment was agreed to.

The next amendment was, on page 8, line 18, after the words "rest room", to strike out "\$157,730" and insert "\$162,422."

The amendment was agreed to.

The next amendment was, on page 8, line 21, after the word "newspapers", to strike out "\$107,309" and insert "\$107,959."

The amendment was agreed to.

The next amendment was, under the heading "Public schools—Operating expenses," on page 9, line 16, before the words "of which", to strike out "\$338,000" and insert "\$350,105."

The amendment was agreed to.

The next amendment was, on page 10, line 2, after the words "schools for crippled children", to strike out "\$9,754,400" and insert "\$9,780,000."

The amendment was agreed to.

The next amendment was, under the subhead "Capital outlay," on page 12, after line 13, to insert:

The permanent improvement of grounds, as follows: Stabilization and drainage of the grounds at the Young Elementary School, Browne Junior High School, and Phelps Vocational School, \$110,000, together with the unexpended balance of the appropriation of \$25,000 for stabilization and drainage of the grounds of the Browne Junior High School and Phelps Vocational School contained in the District of Columbia Appropriation Act, 1944.

The amendment was agreed to.

The next amendment was, on page 12, after line 21, to insert:

For construction of school buildings and additions thereto, as follows:

For an additional amount for the construction of a new extensible eight-room elementary-school building, four rooms to be left unfinished, in the vicinity of Hillside Road and Alabama Avenue SE., \$45,000, in-

cluding \$2,345 for preparation of new plans and specifications.

The amendment was agreed to.

The next amendment was, on page 13, after line 3, to strike out:

For construction of school buildings and additions thereto, including plans and specifications, as follows.

And in lieu thereof to insert the following:

For preparation of plans and specifications for school buildings and additions thereto, as follows.

The amendment was agreed to.

The next amendment was, under the heading "Recreation Department," on page 19, line 2, after the word "binding", to strike out "\$593,000" and insert "\$606,500."

The amendment was agreed to.

The next amendment was, under the heading "Metropolitan Police," on page 19, line 20, after the word "services", to strike out "the present property clerk with the rank and pay of inspector"; and on page 20, line 2, after the word "detectives", to strike out "with the rank and pay" and insert "in the salary grade."

The amendment was agreed to.

The next amendment was, under the heading "Fire Department," on page 21, line 24, after the words "buildings and grounds", to strike out "\$2,757,000" and insert "\$2,805,000."

The amendment was agreed to.

The next amendment was, under the heading "Department of Civilian Defense," on page 22, line 14, after the word "amended", to strike out "by the act of August 6, 1942 (56 Stat. 740)."

The amendment was agreed to.

The next amendment was, under the heading "Courts," on page 23, line 3, after the words "juvenile court", to strike out "\$147,300" and insert "\$149,600."

The amendment was agreed to.

The next amendment was, on page 23, line 11, after the word "judges", to strike out "\$341,000" and insert "\$357,620."

The amendment was agreed to.

The next amendment was, on page 23, line 19, after the words "municipal court of appeals", to strike out "\$57,000" and insert "\$65,700."

The amendment was agreed to.

The next amendment was, under the heading "Health Department," on page 25, line 2, after the word "service", to insert a comma and "including house-keeping assistance in cases of authentic indigent sick"; and on page 26, line 2, after the word "inspectors", to strike out "\$1,440,000" and insert "\$1,501,779."

The amendment was agreed to.

The next amendment was, on page 26, line 15, after the word "services", to insert "rental, maintenance, repair, and operation of busses"; and in line 18, after the word "grounds", to strike out "\$995,000" and insert "\$1,014,000."

The amendment was agreed to.

The next amendment was, on page 27, line 3, after the word "services", to insert "one superintendent at \$9,500 per annum"; and in line 20, after the word "grounds", to strike out "\$2,104,316" and insert "\$2,173,500."

The amendment was agreed to.

The next amendment was, under the heading "Public welfare—Family welfare service," on page 29, line 5, before the word "For", to strike out "Child care" and insert "Operating expenses, child care."

The amendment was agreed to.

The next amendment was, on page 30, after line 11, to insert:

Capital outlay, child care: For the acquisition of approximately 3 acres of land in parcel 141/68 as a site for a new receiving home and admission center for children, \$30,000, and the availability for the expenditure of the unexpended balance of the appropriation of \$121,300 for the construction of a new receiving home for children on land owned by the District of Columbia in square 2885, contained in the District of Columbia Appropriation Act, 1942, is hereby rescinded.

The amendment was agreed to.

The next amendment was, under the subhead "Juvenile Correctional Service," on page 33, after line 18, to insert:

Capital outlay: For the acquisition of land in the vicinity of the District Training School near Laurel, Md., as a site for the National Training School for Girls, \$58,000, together with the unexpended balance of the appropriation of \$42,000 for this purpose contained in the District of Columbia Appropriation Act, 1944: *Provided*, That title to said property shall be taken directly to and in the name of the United States, and in case a satisfactory price cannot be agreed upon for the purchase of said property, the Attorney General of the United States, at the request of the Commissioners, shall institute condemnation proceedings to acquire such property as may be selected in accordance with the laws of the State of Maryland, and expenses of procuring evidences of title or of condemnation, or both, shall be paid out of this appropriation: *Provided further*, That the unexpended balance of the appropriation of \$40,000 for the construction of temporary buildings for the National Training School for Girls on a new site to be acquired in Maryland, contained in the District of Columbia Appropriation Act, 1944, is reappropriated and made available for repairs, alterations, and improvements to existing buildings on the site to be acquired for said National Training School for Girls, including furniture and equipment and the installation of necessary utilities.

The amendment was agreed to.

The next amendment was, under the heading "Public works," on page 37, line 11, after the word "binding", to insert "and \$16,600 exclusively for test borings and soil investigations"; and in line 12, after the amendment just above stated, to strike out "\$64,000" and insert "\$83,600."

The amendment was agreed to.

The next amendment was, on page 46, line 20, after the word "law", to strike out "\$395,000" and insert "\$405,000."

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments.

Mr. O'MAHONEY. Mr. President, by authority of the committee, I have two legislative amendments to offer. The first is an amendment providing an appropriation of \$10,100 for psychiatric services for the juvenile court of the District of Columbia. Last year in the appropriation bill a legislative proposal was carried authorizing the Commissioners of the District of Columbia to

utilize the services of the Public Health Service to maintain a psychiatric clinic in connection with the juvenile court. This year, however, the Budget Bureau, feeling that this was a service which ought to be carried in the District of Columbia bill, struck out of the Public Health Service estimates the amount necessary to pay the compensation of the persons who were detailed to this service.

The District bill carries an appropriation setting up in the Public Health Department a service of mental hygiene, but that provision will not operate as quickly as it should. So the amendment is designed to prevent an interruption of the service in the municipal court. There was no objection to the amendment. I send it to the desk, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. Under the heading "Courts" following the paragraph for the "Juvenile court", it is proposed to insert the following paragraph:

For a psychiatric service for the juvenile court of the District of Columbia, \$10,100: *Provided*, That the Board of Commissioners of the District of Columbia is authorized to obtain said psychiatric service for the juvenile court of the District of Columbia from the United States Public Health Service, and, at the request of the Board of Commissioners, the Surgeon General is authorized to detail the necessary medical and other personnel, not to exceed one psychiatrist, one psychologist, and one nurse, for this purpose: *Provided further*, That the amount herein appropriated shall be transferred to the United States Public Health Service for reimbursement for the medical and other personnel so detailed.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wyoming.

The amendment was agreed to.

Mr. O'MAHONEY. Mr. President, I offer a legislative amendment which I send to the desk and ask to have stated. The amendment was offered from the floor last year by the senior Senator from North Dakota [Mr. Nye], the ranking minority member of the District of Columbia Subcommittee on Appropriations. However, it was rejected in the conference. The Senator from North Dakota requested that it be presented again, and the Senate committee endorsed his request.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. Under the heading "Public Works," and in the paragraph for "Department of Vehicles and Traffic (payable from highway fund)," it is proposed to strike out the figure "\$405,000" and insert in lieu thereof "\$405,800," and at the end of said paragraph, insert the following proviso: "*Provided further*, That the employee of the Department of Vehicles and Traffic who is charged with the immediate responsibility for, and exercises supervision over, the issuance of tags and certificates of title and the registration of motor vehicles and trailers shall hereafter be known as the Registrar of Titles and Tags, and so long



as the present incumbent of the position for which a designation is hereby provided continues to hold such position it shall be classified in grade 9 of the clerical, administrative, and fiscal service under the Classification Act of 1923, as amended."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wyoming for the Senator from North Dakota.

The amendment was agreed to.

Mr. O'MAHONEY. That concludes the amendments.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill H. R. 4861 was read the third time and passed.

Mr. O'MAHONEY. Mr. President, I move that the Senate insist upon its amendments, request a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. O'MAHONEY, Mr. GLASS, Mr. OVERTON, Mr. THOMAS of Oklahoma, Mr. BILBO, Mr. NYE, Mr. HOLMAN, and Mr. BURTON conferees on the part of the Senate.

#### AUTHORIZATION TO FILE REPORT ON DEFICIENCY BILL—STATUS OF APPROPRIATION BILLS

Mr. WAGNER obtained the floor.

Mr. McKELLAR. Mr. President, will the Senator from New York yield to me for a moment in order that I may make a unanimous-consent request to report a bill?

Mr. WAGNER. I yield.

Mr. McKELLAR. I ask unanimous consent to be permitted to file the report on the second deficiency appropriation bill, if the committee finishes it this afternoon, so that it may be considered by the Senate tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BARKLEY. Mr. President, may I ask the Senator from Tennessee what is the status of any unfinished appropriation bills at this time, either in conference or in the committee?

Mr. McKELLAR. The Interior Department appropriation bill and the war civil functions bill have both been sent to the President today. It may be possible to get the Agricultural Department appropriation bill through today, and there is a possibility that the State, Justice, and Commerce appropriation bill may be finally disposed of today. The other appropriation bills are getting along very well. The District of Columbia appropriation bill, as the Senator knows, passed the Senate a while ago. With respect to the war agencies bill, we have had a conference on that, but it has not as yet been concluded. The Labor and Federal Security Agency appropriation bill is now in conference. The Military

Establishment appropriation bill has gone to conference, the conferees having been appointed. We hope to be able to report the second deficiency appropriation bill this afternoon, but hardly in time before adjournment or recess, and so I have asked permission to file the report later today. That is the situation with the appropriation bills.

Mr. BARKLEY. I thank the Senator. Does that reveal the likelihood that all the appropriation bills will be finally disposed of by Friday?

Mr. McKELLAR. I am not so sure about Friday, but unless something untoward happens, I am very hopeful that we can get them through this week.

Mr. BARKLEY. I thank the Senator.

#### EXTENSION OF EMERGENCY PRICE CONTROL AND STABILIZATION ACTS OF 1942—CONFERENCE REPORT.

Mr. WAGNER. Mr. President, I ask unanimous consent for the present consideration of the conference report on Senate bill 1764, extending the Price Control and Stabilization Acts. Pursuant to the order entered yesterday, I submitted the report later in the day, and it is printed in the House proceedings at page 6420.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1764) to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of October 2, 1942, as amended, and for other purposes.

Mr. WAGNER. Mr. President, I desire to explain as briefly as I can the amendments which have been under consideration, and which now are contained in the report. All Senators are aware of the fact that the stabilization extension bill, which I am reporting from conference on behalf of the managers on the part of the Senate, is the product of extended yet intensive consideration. To the protracted hearings and executive sessions of the Banking and Currency Committees of both Houses, and to the many days of debate on the floor of the House and Senate, have now been added 4 long days of deliberation by the conference committee.

The committee was confronted with the task of passing on a total of more than 40 amendments divided between the 2 bills. Very few of these were identical, most of them were important, and all of them presented technical difficulties requiring careful treatment. The House bill included the greater number of amendments, but quite a few of these gave rise to no points of controversy between the Houses or from the standpoint of the executive agencies concerned. For the most part, the work of the committee resolved itself into the business of finding the best possible solution to problems which both Houses had recognized. In this task, amendments, which directly or indirectly, would have permitted inflationary increases in rents or prices were eliminated or drastically re-

vised. Other amendments which would have paralyzed the Price Administrator's power to enforce his regulations were similarly treated. The resulting changes were numerous, and will, I fear, make this report a long one.

The end product of a give-and-take process always leaves some people disappointed. Some Senators will, I know, be dissatisfied as to certain provisions we have changed, and other Senators will be dissatisfied with other actions. But when allowance is made for such disappointments, I hope the Senate will agree that the bill as reported is an effective measure to protect the earnings and the savings of the American people from the menace of inflation, and that it is, at the same time, a satisfactory answer to justifiable criticisms of the existing law.

Before turning to the specific provisions of the conference agreement, I should explain that the order in which they will be discussed will follow that of the bill. First, the amendments to the Emergency Price Control Act will be considered, and then the amendments to the Stabilization Act. Some of the most controversial of the matters dealt with relate to provisions of the latter act.

With respect to the termination of the two measures, the conference committee adopted the provision in the House bill fixing the terminal dates at June 30, 1945.

#### SECTION 2

The Senate bill had made no amendments to section 2 (a) of the Emergency Price Control Act, the basic source of authority to establish maximum prices. The conference committee has adopted three of the amendments contained in the House bill. The first of these forbids the Price Administrator from requiring the determination of costs otherwise than in accordance with established accounting methods. This amendment was agreed to because, while imposing a salutary limitation on the Administrator's discretion by denying him authority to prescribe the use of accounting methods conflicting with those methods generally established in the accounting profession, the provision does not restrict the Administrator's discretion in establishing maximum prices or in prescribing the factors to be used in calculating maximum prices.

Section 2 (a) has contained provisions requiring that the Administrator consult with representative members of the industries subject to regulation and with industry advisory committees established in such industries. The conference agreement includes two House provisions making explicit the Administrator's duty to give consideration to the recommendations of the industry members and industry advisory committees with whom he consults.

The basic provision authorizing the establishment of maximum rents contained in section 2 (b) was altered by a single clarifying amendment contained in the House bill. This amendment requires that the Administrator, in making general adjustments in the maximum rents in a particular defense rental area, shall give consideration to the general increas-

es in property taxes and operating costs which have taken place in that particular area, and not those occurring elsewhere.

The Senate conferees have accepted with minor modifications an amendment to section 2 (c) contained in the House bill, which directs the Administrator to provide by regulation for making individual adjustments in maximum rents in those classes of cases where, due to peculiar circumstances, the rent on the maximum rent date was substantially higher or lower than the rents generally prevailing in the rental area for comparable accommodations. The Senate conferees, however, declined to accept in the House bill an individual adjustment provision which would have opened the door to a flood of applications based on cost increases, and which would have been administratively unworkable and inflationary in effect. In place of this provision a substitute was devised which requires the Administrator to provide by regulation for individual adjustments in classes of cases in which a substantial hardship has resulted since the maximum rent date from substantial and unavoidable increases in taxes and costs. This will permit the Administrator to restrict, by appropriate adjustment provisions, the granting of relief to those cases which are clearly deserving.

A further change has been made in the text of section 2 (b) which makes explicit the duty existing by implication under the present law to release areas from rent control where the need for such control no longer exists. The provision makes mandatory the abolition of control in any defense rental area or portion thereof specified by the Administrator when conditions in such area are found to make rent control unnecessary in order to eliminate abnormal increases in rents and to prevent profiteering and speculative practices resulting from abnormal market conditions caused by congestion. The standards specified for decontrol are in harmony with those specified for the imposition of control, and the amendment also includes a provision authorizing the reestablishment of rent control in decontrolled areas in accordance with those standards.

The differing views with respect to the handling of the subsidy problem which were embodied in the Senate and House bills have been resolved by the adoption of the restrictions contained in both bills. The House bill had forbidden any additional commodity intended to be used as human food from being defined as a strategic or critical material with the result that no new food product may be added to those now being subsidized under the Reconstruction Finance Corporation Act. This provision does not affect existing R. F. C. subsidies nor does it curtail subsidies granted by the Commodity Credit Corporation. As it will be recalled, the Senate bill forbids all subsidy payments after June 30, 1945, unless the money required therefor has been appropriated by the Congress for such purpose. To facilitate the appropriation of moneys for subsidy purposes a further

amendment has been adopted which expressly authorizes such appropriations.

The Senate conferees refused to accept the House amendment to section 2 (h) which would have denied to the Administrator the authority to compel changes in business practices in those cases in which such practices were being used as means of circumventing or evading price regulations and where evasion could not be prevented without changing such practices.

The conference agreement does amend section 2 (h) to require the Administrator to make an affirmative finding of the necessity to compel changes in business practices in order to prevent circumvention or evasion.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. WAGNER. Does the Senator wish to ask a question?

Mr. WHERRY. Yes.

Mr. WAGNER. I suggest that if I may be allowed to continue I may answer the question which the Senator has in mind. I would prefer to continue with my statement relative to the different amendments. Then I shall be delighted to yield to the Senator, and to the best of my ability, answer any question that he may wish to ask.

Mr. WHERRY. I thank the Senator.

Mr. WAGNER. The conferees have adopted an amendment to section 2 (i). This amendment forbids the establishment of a maximum price for any fishery commodity below its average price in 1942. The base year had previously been 1941. The 1942 base is in line with the current pricing practice of the Office of Price Administration.

The House bill contained a paragraph forbidding the continued use in O. P. A. price regulations of the so-called highest price line limitation. The objections to this provision, which was designed to discourage shifts from lower to higher-priced lines of goods, had come almost exclusively from retail stores, although the limitation had been applied to other distributors and to producers. The amendment, as embodied in the conference agreement, applies the prohibition only to retail sellers and thereby permits the Administrator to continue to use this method of maintaining the supply of low-priced merchandise at levels where its employment can be both effective for price control and acceptable to business.

A House amendment requiring 15 days' notice in advance of planting before any maximum price is established or lowered on any agricultural commodity, was agreed to after some revision to limit its application to crops planted annually or seasonally, and some revision relating to the manner in which the notice is to be given. This provision will become effective as to 1944 crops in major producing areas in which the normal planting season occurs after July 31, 1944.

The House conferees accepted an amendment in the Senate bill forbidding the imposition of conditions to the payment of subsidies or to purchase agree-

ments relating to agricultural commodities, to the allocation of materials or facilities, or to the fixing of production or selling quotas for such commodities, if the conditions or penalties are not authorized by the acts (or regulations issued thereunder) applicable to such payments, contracts, allocations, or quotas. Appropriate provision is also made for the judicial review of orders violating this prohibition.

In view of the number of amendments in the House bill which were agreed to by the Senate conferees, it may not be inappropriate to remark that, in addition to insisting upon the revision of a number of the House provisions which were accepted, the Senate conferees declined to accept a number of amendments to section 2 contained in the House bill, among them being provisions exempting judicial sales and watermelons from price control. The House conferees also receded from an amendment which would have compelled the granting of individual adjustments for the correction of gross inequities.

The bill reenacts without change section 2 (j) of the present act, which was added to the act by the Commodity Credit Corporation Act of 1943. This will leave in effect the established construction of that subsection which is that the Price Administrator is authorized to make use of standards of specifications, in establishing maximum prices, in three situations and in those situations only: First, where the standards or specifications have been in general use in the trade or industry affected; second, where they have been promulgated and their use lawfully required by another Government agency; and third, when the Administrator finds that there is no practicable alternative for securing effective price control of the commodity involved. A denial of authority to use standards or specifications in any one of those three situations would seriously impair the price-control program. I make this statement as chairman of the Senate conferees because there is a statement in the report of the House managers which might be understood as being to the contrary, and I want to make clear the understanding of the Senate conferees.

#### SECTION 3

Section 3 of the Emergency Price Control Act contains special provisions relating to the establishment of maximum prices for agricultural commodities.

Both the Senate and the House bills had contained provisions requiring appropriate price action to be taken by the Administrator where any fresh fruits or vegetable sustained substantial reductions in yield, unusual increases in production costs, or other unusual factors resulting from hazards occurring in connection with the production and marketing of the commodity. The Senate conferees agreed to the House amendment.

#### SECTION 201. ADMINISTRATION

The House conferees accepted a Senate amendment to section 201 authorizing the purchase of commodities for information or evidence as to violations



of price, rent, and rationing regulations, a provision removing what had long proved a handicap to effective enforcement.

The House amendment requiring the publication in the Federal Register of the formal written directives of Government agencies or officers, issued in the exercise of supervisory or policy-making powers over O. P. A., W. F. A., and W. P. B., was agreed to by the Senate conferees. These documents embody matter of great public importance and interest and clearly merit inclusion in the official publication. An appropriate exception is made to prevent the divulging of secret military information.

#### SECTION 202

The Senate conferees also agreed to a House amendment to Section 202 (a) giving explicit authority to the Administration to conduct hearings in aid of the administration and enforcement of the act and to an amendment adding a new subsection (i) to section 202 which assures to any person subpoenaed under the section the right to counsel and to make a record of his testimony. The House conferees agreed to the elimination of a further provision which would have required that the proceedings be public. This unusual requirement was considered incompatible with effective investigation of suspected violations.

#### SECTION 203. PROCEDURE

The Senate conferees accepted a House amendment withdrawing the requirement heretofore made that protests be filed within 60 days after the issuance of a regulation or after new grounds of protest had arisen. Under the amendment to section 203 (a), protests to regulations may be filed with the Administration at any time.

The Senate conferees also agreed to an amendment, added by the House bill, to the provision made in both bills for the consideration of protests to O. P. A. regulations by an administrative review board advisory to the Administrator. The House amendment makes clear that the board or any subcommittee thereof may sit outside the District of Columbia. It also provides for the issuance of subpoenas upon the request of protestants and a proper showing of the need therefor. Protestants will thereby be aided in obtaining material facts for inclusion in rebuttal evidence which they are entitled to submit in writing to the board. Every protestant is also assured an opportunity for oral argument before the board and to be informed of the board's recommendations and of the Administrator's reasons for rejecting them should he do so.

Both bills contained identical provisions authorizing judicial relief wherever the Administrator may fail to act on protests within a reasonable time after filing.

#### SECTION 204

Both bills contained a provision, requested by the Chief Judge of the Emergency Court of Appeals, providing that two judges should constitute a quorum of the court and of each division thereof.

Both bills also contained provisions for the stay of enforcement proceedings in cases where other proceedings were

pending to determine the validity of the regulations under which the enforcement cases had been brought. However, these provisions varied in certain respects. After extended and careful consideration, the conferees of both Houses agreed upon a revision. As revised, the provision agreed to provide for stays in enforcement cases where the trial court has granted leave to the defendant to file a complaint in the Emergency Court of Appeals setting forth his objections to the validity of any provision which he is alleged to have violated, provided the court finds the objection is made in good faith and there is reasonable and substantial excuse for the defendant's failure to present it in a protest to the Administrator. Where leave to complain is granted, the procedure to be followed by the emergency court is, it should be explained, analogous to that followed by it in reviewing denials of protests.

The provision also requires a stay during the pendency of any protest which had been filed by the defendant before the enforcement proceeding against him was begun if the court finds that his objections to the regulation protested have been made in good faith.

Stays are also provided for during the pendency of any judicial proceeding instituted by the defendant with respect to any protest as to which the required finding has been made or any complaint filed pursuant to leave granted by the court.

Leaves to complain may be applied for only within 30 days after arraignment in criminal proceedings—unless the court allows a longer period for good cause shown—and within 5 days after judgment in any civil or criminal proceeding. Moreover, where no leave is applied for but instead the defendant asks for a stay because of the pendency of a protest, the stay will be granted in civil cases only after judgment.

Where a stay is granted in an injunction suit, the court is expressly required to issue a temporary injunction enjoining violations by the defendant during the period of the stay.

The Price Administrator has expressed great concern lest the right accorded by this procedure be abused by defendants resorting to protests and leaves to complain as a means of deferring or even avoiding the trial of criminal cases and of staying the execution of judgment in civil proceedings. But the procedure provided in the amendment does not represent a regular method to be followed in enforcement cases. Rather, it is an exceptional procedure which has been made available to avoid the risk of injustice that existed under the original act under which a defendant who had excusably failed to file a protest within the strict time limits the act allowed, might be denied any opportunity to question the validity of the regulation which he was charged with violating. The remedial procedure prescribed by the conference committee is available only to defendants whose objections the courts find have been made in good faith, and not primarily for the purpose of delay. The committee is confident that

the courts will be vigilant in administering the standard of good faith to deny stays to defendants who have not previously availed themselves of the unrestricted opportunity to protest but who have been violating regulations on the gamble that, if caught, they could then protest and secure stays of proceedings which would afford them a good chance to avoid trial or the execution of judgment.

#### SECTION 205

Subsection (c) is amended to require that all damage suits brought under subsection (e) shall be brought in the district or county in which the defendant resides or has a place of business, an office, or an agent.

Both the Senate and the House bills contained different amendments to subsection (e), reducing in appropriate cases the amount of damages recoverable thereunder. The original act set the damages at three times the amount of the overcharge or \$50, whichever was the greater. The conference agreement is designed to provide a range of damages within which the court has discretion to determine the amount recoverable in a given case. The minimum limits of the range are the amount of the overcharge or \$25, whichever is the greater. The maximum limits are three times the amount of the overcharge or \$50, whichever is the greater. As under the original act, the seller is also liable for reasonable attorney's fees and costs.

As a part of the process of readjusting the provisions for damages, the conferees agreed to a substitute for the amendments proposed by both Houses which would afford defense in any civil proceeding to a defendant who showed that his violation was neither willful nor the result of failure to take practicable precautions. The substitute provision would limit the damages recoverable in the event the defendant made such a showing to the minimum range of the damages provided, namely, the amount of the overcharge or \$25, whichever is greater. The amendment receded from had provided that the court might allow the amount of the overcharge to be recovered, so the conference committee's deviation from the provision as adopted is not great.

Two provisions dealing with rationing orders were agreed to. The House provision, as revised by the conferees, forbids the inclusion in orders issued under the Federal rationing legislation of provisions requiring the observance of regulations issued under the Price Control and Stabilization Acts. The Senate provision agreed to contains appropriate provisions for the expeditious review, exclusively in the Federal courts, of orders for suspensions of allocations or denying stays thereof.

#### AMENDMENTS TO THE STABILIZATION ACT

The Senate conferees agreed to a House amendment to section 3 making mandatory what heretofore had been regarded as a discretionary power on the part of the President to adjust the maximum prices of agricultural commodities to the extent he finds necessary to correct gross inequities. This power, which

may be exercised even where it reduces a maximum price below the highest price of the commodity between January 1 and September 15, 1942, has heretofore been exercised chiefly to effect reductions; but it must also be used to increase maximum prices wherever the President makes the appropriate finding.

The House conferees declined to accept a Senate amendment which would exempt from the operation of the act voluntary increases in wages and salaries not resulting in payments greater than \$37.50 per week. This provision had been criticized not only as incompatible with the wage stabilization policy but also as likely to compel widespread increases in price ceilings.

The provision of the Senate bill making an amendment to section 8 (a) (1) increasing the loan rate on basic commodities to 95 percent of the parity price is modified by the conference agreement to provide only an increase in the rate to 92½ percent in the case of cotton.

The committee agreed to a substitute for the Senate amendment which had proposed a specific formula for the establishment of maximum prices for textile products processed in whole or substantial part from cotton or cotton yarn.

The first sentence of this amendment repeats the requirement of existing law that maximum prices for commodities processed in whole or substantial part from agricultural commodities must reflect the highest of the minimum legal standards for the price of the agricultural commodity, and adds a special requirement applicable to commodities processed in whole or major part from cotton or cotton yarn. The new requirement is that the applicable standard for such commodities should be applied separately for each major item. The requirement of reflection means that the price of the processed commodity must be such that it will not prevent the price of the basic agricultural commodity from reaching the applicable statutory standard for a maximum price on that commodity. When applied separately to particular items processed from cotton or cotton yarn, such as denims, chambrays, or ducks, this will mean that the prices of such items, separately considered, must afford a processing margin which permits producers of the item to pay that standard out of returns on that item. The purpose of confining the applicability of the separate item standard to major items is to assure that at least 80 percent by volume of the cotton consumed shall be covered, because of the belief that the objectives of this section would not be achieved if any lesser portion of the total consumption were covered. It is also designed to exclude comparatively insignificant items which would have no appreciable effect on the price of cotton.

The second sentence of the amendment is designed to achieve the objective of maintaining the prices of the basic agricultural commodities (cotton, corn, wheat, rice, tobacco, and peanuts) and of nonbasic agricultural commodities as to which public announcement has been made under section 4 (a) of the Commodity Credit Corporation Act of 1941 at

levels at least as high as the higher of the two prices specified in clauses (1) and (2) of section 3 of the Stabilization Act. The amendment states that objective and directs the President to take all lawful action, such as purchase and sale or other support operations, to see that it is accomplished.

The substitute retains the original provision of the Senate amendment with respect to the method of determining the parity price for cotton.

Mr. WHERRY. Mr. President, I thank the Senator from New York for his detailed explanation of the report. I should like to ask him to refer back to section 2 (e), and particularly to the action taken which is set out on page 17 of the conference report as submitted to the House. This has to do with "Payments of subsidies to processors conditioned on proof of payments to producers in compliance with price standards."

The House amendment added to section 2 (e) of the Emergency Price Control Act of 1942 an amendment which was not adopted in the Senate. I had contemplated offering the amendment in the committee and then on the floor of the Senate, but that was not done, and the bill went to the House and there it was adopted. The amendment provided:

*Provided further, That from and after the enactment of this act it shall be unlawful to pay any subsidy to the processor of any product manufactured in whole or substantial part from any agricultural commodity, unless such processor shall, before receiving such subsidy payment, submit satisfactory evidence that he has paid to the producers of such agricultural commodity, prices that are not below the price standards established by the act of October 2, 1942 (Public Law 729, 77th Cong.). Nothing in this provision shall be construed to authorize or approve the payment of any subsidy either directly or indirectly which is not authorized by existing law.*

Mr. WAGNER. I think the Senator has in mind the so-called Kleberg amendment.

Mr. WHERRY. Yes. That amendment was adopted in the House because of the fact that we in the Middle West who produce livestock felt that at times in marketing the livestock the support prices had fallen below the prices established by the Administration. We felt that no maximum ceiling prices should be established by the Office of Price Administration below the support prices, that they should always reflect parity, and that processors should be compelled to certify that all the subsidies they received were reflected through the prices to the producers. That is the only way to assure the producers that they get the subsidy.

Mr. WAGNER. The conferees agreed that it was administratively unworkable as it was, and, secondly, that the Bankhead compromise, which we have accepted, really would take care of the situation.

Mr. WHERRY. I appreciate the remarks of the Senator from New York. What I should like to ask him at this time is this: In the rejection of this amendment by the conference, which

had it under consideration, the following language has been used:

This provision has not been included in the conference substitute.

The fact that this amendment is omitted is not intended to indicate that the conferees are not in full sympathy with its purpose. It is believed that the objective of this amendment can best be attained by specific legislation covering this subject. However, it is also believed that the purpose of this amendment could be attained by proper administration of the present law, there being ample authority in the law to warrant such administrative action. It is intended that the directive given to the President in the amendment made by the bill to section 3 of the Stabilization Act of 1942, with respect to agricultural prices, shall be carried out to the fullest extent necessary to accomplish the purpose of this amendment.

I have quoted the exact language contained in the report.

Mr. WAGNER. That is the statement of the House managers.

Mr. WHERRY. It is the statement of the managers on the part of the House made on the House amendment which has been stricken from the bill, that is the Kleberg amendment. I ask the Senator from New York if that is not correct?

Mr. WAGNER. Yes.

Mr. WHERRY. I appreciate very much what has been done by the conferees, even though the amendment was not left in the bill. I feel it should have been left in it.

Mr. WAGNER. The Senator from Nebraska was himself very successful in his effort.

Mr. WHERRY. The Senator from New York means with respect to the regulatory amendment?

Mr. WAGNER. Yes.

Mr. WHERRY. Of course, the retention of that amendment makes it a better law, and everyone likes it better, and it will be more enforceable. What I wanted to say to the distinguished Senator from New York was that I agree that it is a question of administration. I have always agreed with that contention, and I hope that what really are the instructions on the part of the conferees will be carried into effect by the Office of Price Administration. The language in the statement by the managers on the part of the House is in reality a recommendation in lieu of the amendment. I wanted that to be made clear in the CONGRESSIONAL RECORD.

I desire to thank the conference committee for its consideration of an amendment which it finally struck out, but in the language which is found on page 17 of the statement by the managers on the part of the House they say they agree with the principle of the amendment, and they think its purposes should be effectuated.

Mr. WAGNER. I may say incidentally the conferees were unanimous in their expression on that point.

Mr. President, I move the adoption of the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.



Mr. SHIPSTEAD subsequently said: Mr. President, I was called out of the Senate Chamber for a few minutes, and while I was absent the conference report on the O. P. A. bill was agreed to without a record vote. I wish to have the RECORD show that I am opposed to the passage of the bill because of the lack of agricultural safeguarding provisions.

Mr. BARKLEY. Mr. President, I wish to congratulate the able Senator from New York [Mr. WAGNER], the chairman of the Banking and Currency Committee of the Senate, and chairman of the conference committee which has dealt with this very important subject, upon the skill and ability with which he has guided the conference to a consummation which I think will be generally satisfactory, notwithstanding the fact that everyone did not get what he wanted in the bill. That never happens. I think the Senator from New York and the committees of the two Houses and the conference committee have really performed a very constructive piece of work in the long consideration they have given to this legislation.

Mr. WAGNER. Mr. President, I thank the Senator for his complimentary statement, which is not deserved. If it were not for the distinguished majority leader, who is a member of the committee, and the other members of the committee, both Democrats and Republicans, I could have accomplished nothing.

Mr. BARKLEY. I wish my remarks to be construed to include, with the exception of myself, the conferees who worked on this legislation, representing both the House and the Senate, and representing both political parties.

Mr. WAGNER. I thank the Senator.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives by Mr. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Acting President pro tempore:

H. R. 272. An act for the relief of Mrs. Vola Stroud Pokluda, Jesse M. Knowles, and the estate of Lee Stroud;

H. R. 1220. An act for the relief of the legal guardian of Paul M. Campbell, a minor;

H. R. 2303. An act for the relief of O. W. James;

H. R. 2855. An act for the relief of the estate of John Buby;

H. R. 3102. An act for the relief of Mrs. Eva M. Delisle;

H. R. 3661. An act for the relief of G. F. Allen, chief disbursing officer, Treasury Department, and for other purposes;

H. R. 3891. An act to provide night differential for certain employees; and

H. R. 4115. An act to give honorably discharged veterans, their widows, and the wives of disabled veterans, who themselves are not qualified, preference in employment where Federal funds are disbursed.

#### NOTICE OF CALL OF THE CALENDAR TOMORROW

Mr. BARKLEY. Mr. President, I wish to advise the Senate that tomorrow, at some convenient time, I hope we may call the calendar for consideration of

bills to which there is no objection. I do not think the Senate should recess for any length of time without first calling the calendar, and I think we will find it convenient to do so tomorrow.

#### IRRIGATION AND RECLAMATION IN RELATION TO DEVELOPMENT OF WATERWAYS—LETTER FROM THE PRESIDENT

Mr. O'MAHONEY. Mr. President, at a meeting of the Commerce Committee today I am advised that the Senator from Louisiana [Mr. OVERTON] read a letter which was addressed to him by the President of the United States dealing with the rivers and harbors bill recently approved by that committee. The letter of the President is of great interest particularly to those who are concerned with the manner in which reclamation and reclamation projects shall be handled in this and other legislation. The matter is of such importance that I feel the letter should be printed at length in the CONGRESSIONAL RECORD. I, therefore, ask unanimous consent that the President's letter addressed to the Senator from Louisiana may be printed in the RECORD as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JUNE 13, 1944.

HON. JOHN H. OVERTON,  
*United States Senate, Washington, D. C.*

DEAR SENATOR OVERTON: I appreciate your letters of May 27 regarding the river and harbor bill and the problems that you are seeking to solve in connection with that measure and the flood-control bill. I am aware of the difficult job that you have undertaken in your work on these bills that deal with important matters of concern to many interests throughout the country and of the statesmanlike perseverance with which you and the members of the Commerce Committee have gone about the task.

The action of the committee with respect to the river and harbor bill is highly gratifying in most respects. I was particularly pleased that the California projects would be protected by your action on the river and harbor bill and suppose that this will be true in the case of the flood-control measure. I am somewhat disturbed, however, by the provision against the construction or acquisition of transmission lines that was inserted in section 6 of the river and harbor bill. I do not clearly see the necessity for this broad restriction, particularly when the Congress would always be asked to appropriate money for any transmission lines that might be planned in connection with these projects, and I foresee that it might unduly hamper the disposition of power in a beneficial manner. I hope that this problem will be given some further attention.

As you yourself recognize, moreover, the problem of the use of the waters of the Missouri River requires further consideration. In my judgment the compromise that you propose does not quite offer the solution. It is my understanding that if navigation facilities were constructed on the main stem of the river, the water required to make them useful might deplete supplies needed for irrigation.

I think that when considering that part of the country in which the laws of nature inexorably accord to the beneficial consumptive use of water a primary role, we must bow to those laws in our plans and legislation to the fullest extent compatible with the full comprehensive development of our streams for the good of the Nation as a whole.

Several suggestions have been put forward in the Congress, some as amendments to the river and harbor bill, which have merit in firmly establishing the primary importance of the beneficial consumptive use of water without requiring any cession of Federal jurisdiction under the commerce clause of the Constitution. I fully agree with you, of course, that any means of solution that may be adopted must be workable and equitable. I realize the immense complexity of the problem, but I hope that you and your colleagues will find a way to work it out within the general confines of these principles.

With kindest personal regards,

Sincerely yours,

FRANKLIN D. ROOSEVELT.

#### EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

#### EXECUTIVE MESSAGE REFERRED

The PRESIDING OFFICER (Mr. TUNNELL in the chair) laid before the Senate a message from the President of the United States, which was referred to the appropriate committee.

(For nomination this day received, see the end of Senate proceedings.)

#### EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. WALSH of Massachusetts, from the Committee on Naval Affairs:

Commodore Andrew F. Carter, United States Naval Reserve, to be a rear admiral in the Naval Reserve, for temporary service, to continue while serving as executive, Army-Navy Petroleum Board.

By Mr. GEORGE, from the Committee on Finance:

Sundry officers for appointment and/or promotion in the United States Public Health Service.

By Mr. WAGNER, from the Committee on Interstate Commerce:

Frank P. Douglass, of Oklahoma, to be a member of the National Mediation Board for the remainder of the term expiring February 1, 1946, vice William M. Leiserson.

By Mr. HATCH: From the Committee on Public Lands and Surveys:

William Riddell, of Montana, to be register of the land office at Billings, Mont. (reappointment).

From the Committee on the Judiciary:

Herbert Wechsler, of New York, to be Assistant Attorney General, vice Hugh B. Cox; Arthur D. Fairbanks, of Colorado, to be United States marshal for the district of Colorado;

Bernard Fitch, of Connecticut, to be United States marshal for the district of Connecticut;

Frank C. Blackford, of New York, to be United States marshal for the western district of New York;

Thomas N. Curran, of Maine, to be United States marshal for the district of Maine, vice John G. Utterback, resigned; and

Frank C. Bingham, of Alaska, to be United States attorney for division 2 of Alaska, vice Charles J. Clasby, resigned.

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

Sundry postmasters.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the calendar.

## DEPARTMENT OF THE NAVY

The Chief Clerk read the nomination of Ralph A. Bard, of Illinois, to be Under Secretary of the Navy.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

## FARM CREDIT ADMINISTRATION

The Chief Clerk read the nomination of Ivy W. Duggan, of Mississippi, to be Governor for the unexpired term of 6 years from June 15, 1940.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

## POSTMASTERS

The Chief Clerk proceeded to read sundry nominations of postmasters.

Mr. BARKLEY. I ask that the nominations of postmasters on the calendar may be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the postmaster nominations are confirmed en bloc.

## THE ARMY

The Chief Clerk proceeded to read sundry nominations in the Army.

Mr. BARKLEY. Mr. President, I ask unanimous consent that the nominations in the Army may be confirmed en bloc, with the exception of the nomination of Ephraim Franklin Jeffe, under Calendar No. 1423, to be brigadier general. I make an exception in that case at the request of the Senator from Montana [Mr. MURRAY] a member of the Military Affairs Committee, and one or two other Senators who have requested that that nomination go over.

Mr. WHITE. Will the Senator again state what nomination he asks go over?

Mr. BARKLEY. The nomination of Ephraim Franklin Jeffe to be brigadier general, under Calendar No. 1423.

The PRESIDING OFFICER. With the exception of the nomination referred to by the Senator from Kentucky, the nominations in the Army, without objection, are confirmed en bloc.

Mr. BARKLEY. I ask that the President be immediately notified of all nominations this day confirmed.

The PRESIDING OFFICER. Without objection, the President will be so notified.

That completes the Executive Calendar.

## RAYMOND E. McCANSE—NOMINATION RECONSIDERED AND REJECTED

Mr. BARKLEY subsequently said: Mr. President, when we were considering the Executive Calendar, inadvertently the nomination of Raymond E. McCanse to be postmaster at Mount Vernon, Mo., was confirmed. I note that there was an adverse report on that nomination. I ask unanimous consent that the vote by which the nomination was confirmed be reconsidered, and that the nomination be rejected, in accordance with the report of the committee.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky? The Chair hears none, and it is so ordered.

## LEGISLATIVE SESSION

Mr. BARKLEY. I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

## SIGNING OF THE BILL CONTINUING THE SUGAR ACT OF 1937

Mr. O'MAHONEY. Mr. President, I call to the attention of the Senate the fact that yesterday the President of the United States attached his signature to House Bill 4833 extending the Sugar Act of 1937 for 2 additional years. The fact that the President has signed this bill will be good news to the growers of sugar beets of 20 States. This measure, which will now remain in effect until the end of 1946, has been one of the most successful laws ever enacted by Congress. Not only have the growers of sugar beets benefited but the processors as well.

The fact that the bill continuing the act was passed through both Houses of Congress within a few weeks and with practically no dissent or criticism, is itself testimony that the legislation has been an outstanding achievement of this administration in meeting the many difficult and complicated problems of the sugar industry. Certainly without it the industry could not have survived. The law has successfully balanced complicating interests involving both domestic and foreign trade.

When Representative FLANNAGAN, in the House, and the Senator from Colorado [Mr. JOHNSON] and I in the Senate, introduced the bills this year to continue the act, the proposal received support from every factor of the industry. Not only were the growers of beets in favor of the continuance of the law as expressed by the formal resolution of the National Beet Growers Association, but the refiners of sugarcane in the United States also endorsed the measure. In the House the bill had the unanimous approval of the Committee on Agriculture, and likewise in the Senate it was reported by the Finance Committee without disagreement.

In marked contrast to the attitude of suspicion and controversy which greeted the initial efforts in working out the sugar legislation of 1934, there appears to have been virtually unanimous agreement on the part of the various branches of the sugar industry and of their Representatives in the Congress that a satisfactory structure has been worked out in this very difficult matter. In 1934, despite the fact that the income of sugar growers had fallen for several years, that many processors had been operating at a loss, and that various other evils afflicted the industry, those of us who worked on this program found some branches of the industry uncertain that the program was really in their best interest. It is fortunate, indeed, that sugar producers, generally, supported the Congress and the administration in working out the sugar program which has since conferred so many benefits on sugar growers, processors, and laborers.

In addition to the value of this legislation in meeting the problems of the industry in the pre-war depression period, the administrative machinery and authority provided for under the act greatly facilitated the transition to wartime

conditions, as Judge Jones, the War Food Administrator, recently pointed out.

The first beet-sugar crop marketed after we entered the war was of near record volume. Consequently, when the Axis carried out an intensive campaign of submarine warfare on the Atlantic seaboard, large quantities of beet sugar were available for marketing in the distress areas of the eastern seaboard shut off from the usually abundant offshore supplies. In the two subsequent crops sugar-beet acreage has unfortunately been reduced through a number of adverse wartime factors. It is to be hoped that the Government's support in continuing the 1937 Sugar Act will be further evidence to our growers of the administration's interest in attaining a large sugar-beet acreage.

One of the virtues of this legislation is that it has stabilized the sugar industry and has increased the returns to growers without increasing the cost of sugar to the consumer. The law is self-sustaining and although substantial payments are made to the growers of sugar beets the fund out of which they are paid is raised by a tax which operates to redistribute the profits of the industry without increasing the cost of sugar on the table or in the factory.

Mr. President, I ask to have printed in the RECORD at this point a table showing the sugar-beet payments made in 1943 in the 20 States which are affected.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

California.....	\$2,692,129.37
Colorado.....	4,159,221.09
Idaho.....	1,627,142.85
Illinois.....	25,525.43
Indiana.....	55,613.50
Iowa.....	22,008.51
Kansas.....	100,843.42
Michigan.....	996,417.13
Minnesota.....	598,043.01
Montana.....	1,694,706.47
Nebraska.....	1,455,860.91
New Mexico.....	4,750.89
North Dakota.....	309,310.76
Ohio.....	301,180.12
Oregon.....	371,502.47
South Dakota.....	115,458.85
Utah.....	1,084,793.47
Washington.....	464,871.04
Wisconsin.....	279,564.92
Wyoming.....	730,720.98

Total..... 17,089,665.19

## ALLOWANCES FOR MILEAGE OF GRADUATES OF THE MILITARY ACADEMY

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1669) to clarify the law relative to allowances for mileage of graduates of the United States Military Academy and transportation of their dependents on assignment to their first duty station and to the mileage allowance of persons entering the United States Military Academy as cadets, which was, on page 3, line 7, after "Academy" to insert, "Provided, That a person discharged from the armed forces to enter the United States Military Academy shall receive a mileage allowance at the rate of 5 cents per mile for travel performed not in excess of the distance by the shortest usually traveled route between the place



of discharge as certified by him and the United States Military Academy: *Provided further*, That no travel allowance shall be payable under this section for travel performed outside the continental limits of the United States."

Mr. JOHNSON of Colorado. Mr. President, I move that the Senate concur in the House amendment.

Mr. WHITE. Mr. President, will the Senator indicate generally what the House amendment is?

Mr. JOHNSON of Colorado. The bill has to do with transportation allowances to graduates of the United States Military Academy at West Point. The House amendment affects the transportation of persons who are appointed to West Point from the Army. It would provide a mileage allowance of 5 cents a mile between the place of the discharge and the United States Military Academy.

The House amendment authorizes an allowance of 5 cents a mile to a soldier discharged to enter West Point, from the place of discharge to West Point.

There are two groups involved:

First. Soldiers appointed by Senators or Representatives, who are discharged at military stations before starting for West Point.

Second. Soldiers appointed from the Army, who are sent to West Point as soldiers, and furnished transportation, and who are then discharged at West Point. The House amendment would permit this group to pay their own way to West Point and then ask for reimbursement of 5 cents a mile.

The War Department approves the House amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Colorado [Mr. JOHNSON] to concur in the House amendment.

The motion was agreed to.

#### AUTHORIZATION FOR SPECIAL COMMITTEE TO INVESTIGATE GASOLINE AND FUEL SHORTAGES TO FILE REPORT

Mr. MALONEY. Mr. President, I ask unanimous consent that the Special Committee to Investigate Gasoline and Fuel-Oil Shortages be authorized to submit a report during the recess of the Senate.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Connecticut? The Chair hears none, and it is so ordered.

#### NOMINATION OF FRANK P. DOUGLASS TO BE A MEMBER OF THE NATIONAL MEDIATION BOARD

Mr. WAGNER. Mr. President, earlier in the day there was reported from the Committee on Interstate Commerce the nomination of Frank P. Douglass, of Oklahoma, to be a member of the National Mediation Board, succeeding William M. Leiserson, who has resigned. One of the members of the Board is ill, and the Board cannot function effectively until a new member is appointed to form a quorum. For that reason I ask unanimous consent, as in executive ses-

sion, for the present consideration of the nomination.

Mr. WHITE. Mr. President, from what committee does the nomination come?

Mr. WAGNER. From the Committee on Interstate Commerce.

Mr. WHITE. What is it for?

Mr. WAGNER. It is the nomination of Frank P. Douglass to be a member of the National Mediation Board. One of the members of the Board is now ill. The Board has a membership of three. Therefore, the Board will be unable to conduct business unless this nomination is confirmed. Mr. Douglass was nominated to succeed Mr. William M. Leiserson, who has just resigned.

Mr. WHITE. Was the nomination reported today?

Mr. WAGNER. Yes.

Mr. WHITE. Is there some special reason for speed?

Mr. WAGNER. I have stated the reason. The Board has a great deal of business to do, and it cannot transact business without a quorum.

Mr. WHITE. It is necessary that the nomination be confirmed in order that the Board may have a quorum.

Mr. WAGNER. Exactly.

The PRESIDING OFFICER. Is there objection to the present consideration of the nomination as in executive session? The Chair hears none, and the nomination will be stated.

The legislative clerk read the nomination of Frank P. Douglass to be a member of the National Mediation Board.

The PRESIDING OFFICER. Without objection, as in executive session, the nomination is confirmed.

Mr. WAGNER. I ask that the President be immediately notified.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

#### APPROPRIATIONS FOR DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE—CONFERENCE REPORT

Mr. McKELLAR submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on amendment numbered 10 of the Senate to the bill (H. R. 4204) making appropriations for the Departments of State, Justice, and Commerce for the fiscal year ending June 30, 1945, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

The committee of conference report in disagreement amendment numbered 10.

KENNETH McKELLAR,  
CLYDE M. REED,  
WALLACE H. WHITE, Jr.,  
TOM CONNALLY,  
RICHARD B. RUSSELL,

*Managers on the part of the Senate.*

JOHN H. KERR,  
BURTON B. HARE,  
THOMAS J. O'BRIEN,  
ALBERT E. CARTER,  
KARL STEFAN,  
ROBERT F. JONES,

*Managers on the part of the House.*

The report was agreed to.

The PRESIDING OFFICER laid before the Senate the message from the House

of Representatives announcing its action on a certain amendment of the Senate to House bill 4204, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,  
June 21, 1944.

*Resolved*, That the House recede from its disagreement to the amendment of the Senate No. 10 to the bill (H. R. 4204) making appropriations for the Departments of State, Justice, and Commerce, for the fiscal year ending June 30, 1945, and for other purposes, and concur therein with an amendment as follows: At the end of the matter inserted by said amendment, after "1944" insert "*Provided*, That none of the funds appropriated in this paragraph shall be expended for field work in connection with such census prior to January 1, 1945."

Mr. McKELLAR. Mr. President, I move that the Senate concur in the amendment of the House.

The motion was agreed to.

Mr. McKELLAR. Mr. President, does that complete legislative action on the bill?

The PRESIDING OFFICER. That completes legislative action on the bill.

Mr. McKELLAR. And it will now go to the President?

The PRESIDING OFFICER. It will now go to the President.

#### TERM OF OFFICE OF DISTRICT ATTORNEY AND MARSHAL FOR THE CANAL ZONE

Mr. CLARK of Missouri. Mr. President, I ask unanimous consent that the Senate proceed to consider House bill 3646, Calendar No. 971, a bill to amend section 42 of title 7 of the Canal Zone Code, which was reported from the Committee on Inter-oceanic Canals with an amendment.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 3646) to amend section 42 of title 7 of the Canal Zone Code.

Mr. CLARK of Missouri. Mr. President, this bill was reported with an amendment. The reason I am anxious to have it considered at this time is that it will be necessary that the amendment be considered in conference.

The bill would merely extend the term of office of the district attorney and the marshal for the Canal Zone from 4 to 8 years, to conform with the term of the United States Federal judge who is now appointed for 8 years.

The reason assigned by the Department officials and the Canal Zone authorities is that it is impossible to obtain anyone in the Panama Canal Zone itself to fill these offices, inasmuch as practically the entire population of the Panama Canal Zone consists of Government employees, and it is difficult to obtain the proper persons to go down there for so short a term as 4 years.

The committee amendment provides that the act shall take effect February 1, 1945.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield.

Mr. WHITE. Does the bill come before the Senate with the unanimous approval of the committee?

Mr. CLARK of Missouri. Yes.

Mr. WHITE. I understand that the occasion for requesting its present consideration is because it will have to go to conference, for further consideration there?

Mr. CLARK of Missouri. Yes; we are adding an amendment, and it will be necessary for it to go to conference. At the present time vacancies are existing in the office of the United States marshal in the Canal Zone.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Missouri?

There being no objection, the Senate proceeded to consider the bill (H. R. 3646) to amend section 42 of title 7 of the Canal Zone Code, which had been reported from the Committee on Inter-oceanic Canals, with an amendment, on page 1, after line 7, to insert:

SEC. 2. This act shall take effect February 1, 1945.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. CLARK of Missouri. Mr. President, I ask that the Senate insist on its amendment, request a conference thereon with the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. STEWART, Mr. PEPPER, and Mr. BUSHFIELD conferees on the part of the Senate.

#### ESTABLISHMENT, MANAGEMENT, AND PERPETUATION OF KERMIT ROOSEVELT FUND

Mr. BARKLEY. Mr. President, Senate Joint Resolution 134, Calendar No. 981, which has been reported from the Committee on Military Affairs, provides for the establishment in the War Department of a board to be known as the Trustees of the Kermit Roosevelt Fund, and also provides for the management and perpetuation of that fund. The War Department desires that the joint resolution be enacted as soon as possible. Therefore, I ask unanimous consent for the present consideration of the joint resolution, so that if it is passed, there may be opportunity for its passage by the House.

The PRESIDING OFFICER. Is there objection?

Mr. WHITE. Mr. President, as I understand the joint resolution, it imposes on the War Department no obligation or burden except that of management of the fund. Is that true?

Mr. BARKLEY. That is true. It provides for the creation within the War Department of a Kermit Roosevelt fund, and for its management and perpetuation.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution (S. J. Res. 134) to provide for the establishment, management, and perpetuation of the Kermit Roosevelt fund was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Resolved, etc.,* That there is hereby established in the War Department a board to be known as the Trustees of the Kermit Roosevelt Fund, whose duty it shall be properly to administer all money and property which hereafter may come under its control as part of the Kermit Roosevelt fund, created pursuant to section 2 hereof. The Board shall be composed of the Chief of Finance, United States Army, ex officio, and three general officers of the Army who shall be appointed to the Board and may be replaced thereon by the Secretary of War.

SEC. 2. The Board is hereby authorized to accept from Mrs. Kermit Roosevelt such money and property as she may tender, to receipt therefor on behalf of the United States, and to deposit the funds so received in the Treasury of the United States as the original corpus of a trust fund, to be known as the Kermit Roosevelt fund, which shall be used for the purpose of fostering a better understanding and a closer relationship between the military forces of the United States and those of the United Kingdom by sponsoring lectures or courses of instruction to be delivered by officers of the British Army at the United States Military Academy and elsewhere in the United States and by officers of the United States Army at Sandhurst Royal Military College and elsewhere in the United Kingdom or, should such exchange lectures prove or become impracticable or unnecessary for any reason, by such other application of the funds as the Board, with the approval of the Secretary of War, may determine. The original corpus of the fund and the income therefrom may be disbursed at the discretion of the Board in furtherance of the stated purpose, and shall be subject to investment and reinvestment as provided in section 3 hereof.

SEC. 3. The Board is also authorized to accept, receive, hold, and administer gifts, bequests, and devises of money, securities, or other property, whether real or personal, from any source, for the benefit of the Kermit Roosevelt fund, but no such gift, bequest, or devise which entails any expenditure not to be met out of the gift, bequest, devise, or the income thereof shall be accepted without the consent of Congress. Such additional sums or property shall be received for by the Chief of Finance and may, at the discretion of the Board and unless otherwise restricted by the terms of the gift, bequest, or devise, be administered and disbursed in the same manner as the original corpus of the fund and the income therefrom. The Board may, in its discretion, sell or exchange securities or other property given, bequeathed, or devised to or for the benefit of the Kermit Roosevelt fund, and may invest and reinvest the proceeds thereof, together with any other moneys in the fund, in such investments as it may determine from time to time: *Provided, however,* That the Board is not authorized to engage in any business, nor shall it make any investments for the account of the fund which could not lawfully be made by a trust company in the District of Columbia, except that it may make any investment directly authorized by the instrument of gift, bequest, or devise under which the funds to be invested are derived, and may retain any investments accepted by it.

SEC. 4. The income from any property held or administered by the Board, as and when

collected, shall be deposited in the Treasury of the United States to the credit of the trust fund established pursuant to section 2 hereof, and it shall be and remain subject to investment, reinvestment, and disbursement by the Board for the uses and purposes set forth herein.

SEC. 5. The Board shall have all the usual powers of a trustee in respect to all property administered by it, but the members of the Board shall not be personally liable, except for misfeasance, on account of any acts performed in their trust capacity. The members of the Board shall not be required to furnish bond, and no additional compensation shall accrue to any of them on account of their duties as trustees. Within the limits prescribed by sections 2, 3, and 4 hereof the administration, control, and expenditure of this fund and its application to the purposes intended shall be according to the sole discretion of the Board, and the exercise of its discretion and authority in regard thereto and its decisions thereon, including any payments made or authorized by it to be made from the Kermit Roosevelt fund, shall not be subject to review except by the Secretary of War to whom the Board shall, on the 1st day of January each year, render a full report of its activities during the preceding 12 months. The actions of the Board shall not be subject to judicial review except in an action brought in the United States District Court for the District of Columbia, which is hereby given jurisdiction of such suits, for the purpose of enforcing the provisions of any trust accepted by the Board.

#### ADDITIONAL PAY FOR INFANTRYMEN AWARDED THE EXPERT INFANTRYMAN BADGE OR THE COMBAT INFANTRYMAN BADGE

Mr. HILL. Mr. President, I ask unanimous consent for the present consideration of Senate bill 1973, Calendar No. 982. The measure provides additional pay for enlisted men of the Army assigned to the Infantry who are awarded the expert infantryman badge or the combat infantryman badge.

Let me say to the distinguished senior Senator from Maine that the bill has been unanimously reported by the Committee on Military Affairs. General Marshall is very anxious to have the bill passed. It simply provides recognition for infantrymen, particularly those who today are out in the fox holes in the battle theaters overseas.

Mr. WHITE. Mr. President, will the Senator yield to me?

Mr. HILL. I yield.

Mr. WHITE. The majority leader has already given indication that there is to be a call of the calendar tomorrow, I think we should postpone any further unanimous-consent requests for the consideration of measures at this time.

Nevertheless, inasmuch as the Senator from Alabama was kind enough to speak to me a while ago about the bill, and inasmuch as there is another measure in which the Senator from Rhode Island [Mr. GERRY] is interested, I shall not object to the unanimous-consent request of the Senator from Alabama, and I shall not object to a similar request which I understand will be made by the Senator from Rhode Island. However, thereafter I think we should wait until the call of the calendar tomorrow.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Alabama?



There being no objection, the Senate proceeded to consider the bill (S. 1973) to provide additional pay for enlisted men of the Army assigned to the Infantry who are awarded the expert infantryman badge or the combat infantryman badge.

Mr. WHERRY. Mr. President, I should like to ask a question about the bill. Why are infantrymen singled out? I do not quite understand the purpose.

Mr. HILL. The reason why infantrymen are singled out is that today the infantryman receives, on the average, less pay than is received by the personnel of any other branch of the service, and because General Marshall is very anxious to do something to raise the morale of the infantryman, to challenge him and to let him know that he is appreciated for the tremendously important part he is playing today in the winning of the war. We have done much for other branches of the service, but to date we have done practically nothing for the infantryman.

Mr. WHERRY. What would the bill do?

Mr. HILL. It simply provides that there shall be two badges of distinction for infantrymen, one called the expert infantryman badge, and the other called the combat infantryman badge. The expert infantryman badge is won by a man who reaches a high degree of proficiency as an infantryman. An infantryman who wins that badge will receive an additional \$5 a month in pay.

The combat infantryman badge is won by an infantryman who displays exemplary conduct in contact with the enemy. When he wins that badge he will receive an additional \$10 a month in pay.

Mr. WHERRY. Was the bill unanimously reported from the Committee on Military Affairs?

Mr. HILL. Yes.

Mr. WHERRY. I thank the Senator.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That during the present war and for 6 months thereafter, any enlisted man of the Army assigned to the Infantry who is entitled, under regulations prescribed by the Secretary of War, to wear the expert infantryman badge or the combat infantryman badge, shall be paid additional compensation at the rate of \$5 per month when he is entitled to wear the expert infantryman badge and at the rate of \$10 per month when he is entitled to wear the combat infantryman badge: *Provided,* That additional compensation for both awards may not be paid at the same time.

SEC. 2. The appropriations heretofore or hereafter made for "Finance Service, Army", shall be available for carrying into effect the provisions of this act.

SEC. 3. The provisions of this act shall become effective as of January 1, 1944.

#### ESTABLISHMENT OF GRADE OF ADMIRAL OF THE FLEET, UNITED STATES NAVY

Mr. GERRY. Mr. President, from the Committee on Naval Affairs, I report favorably, with amendments, Senate bill

2019, providing for the establishment of the grade of Admiral of the Fleet, United States Navy, and I submit a report (No. 1024) thereon. I ask unanimous consent for the present consideration of the bill.

The PRESIDING OFFICER. The bill will be read by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 2019) to establish the grade of Admiral of the Fleet of the United States Navy, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Naval Affairs, with amendments.

The amendments of the Committee on Naval Affairs were, on page 1, line 3, after the words "grade of", to strike out "Admiral of the Fleet" and insert "Fleet Admiral"; on page 2, line 1, after the word "two", to strike out the comma and "exclusive of the officer serving as Chief of Naval Operations"; after line 2, to strike out: "Sec. 2. The Chief of the Naval Operations while so serving shall have the same rank, pay, and allowances as provided for an Admiral of the Fleet of the United States Navy"; in line 7, to change the section number from 3 to 2; in line 16, after the words "grade of", to strike out "Admiral of the Fleet" and insert "Fleet Admiral"; in line 19, after the word "appointment", to insert a comma and "except as otherwise provided herein"; in line 20, to change the section number from 4 to 3; in the same line, after the word "shall", to insert a comma and "while on active duty"; after line 22, to strike out:

SEC. 5. An officer retired while serving as Admiral of the Fleet of the United States Navy, or who shall have served 1 year or more as such, may, in the discretion of the President, by and with the advice and consent of the Senate, be placed on the retired list with the highest grade or rank held by him while on the active list: *Provided,* That no increase in retired pay shall accrue as a result of such advanced rank on the retired list.

On page 3, after line 5, to insert new sections, as follows:

SEC. 4. In the discretion of the President, by and with the advice and consent of the Senate, each officer who shall have served in the grade or rank of fleet admiral shall, upon retirement or reversion to the retired list, as the case may be, have on the retired list the highest grade or rank held by him on the active list: *Provided,* That each such officer shall be entitled to retired pay equal to 75 percent of the active-duty pay provided herein for a fleet admiral: *Provided further,* That no officer of the naval service on the active or retired list shall be appointed or advanced to the grade or rank of fleet admiral except as provided in this act.

SEC. 5. This act shall be effective only until 6 months after the termination of the wars in which the United States is now engaged as proclaimed by the President, or such earlier date as the Congress by concurrent resolution may fix.

So as to make the bill read:

*Be it enacted, etc.,* That the grade of fleet admiral of the United States Navy is hereby established on the active list of the line of the Regular Navy as the highest grade in the

Navy. Appointments to said grade shall be made by the President, by and with the advice and consent of the Senate, from among line officers on the active list and retired line officers on active duty serving in the rank of admiral in the Navy at the time of such appointment. The number of officers of such grades on the active list at any one time shall not exceed two.

SEC. 2. Appointments under authority of this act shall be made without examination and shall continue in force during such period as the President shall determine. The permanent or temporary status of officers of the active list appointed to a higher grade pursuant to section 1 hereof shall not be vacated solely by reason of such appointment, nor shall such appointees be prejudiced in regard to promotion, in accordance with laws relating to the Navy. An officer appointed from the retired list to the grade of fleet admiral of the United States Navy on the active list as provided in section 1 hereof shall, upon the termination of such appointment, revert to the status held by him prior to such appointment, except as otherwise provided herein.

SEC. 3. Appointees under this act shall, while on active duty, receive the same pay and allowances as a rear admiral of the upper half, plus a personal money allowance of \$5,000 per annum.

SEC. 4. In the discretion of the President, by and with the advice and consent of the Senate, each officer who shall have served in the grade or rank of fleet admiral shall, upon retirement or reversion to the retired list, as the case may be, have on the retired list the highest grade or rank held by him on the active list: *Provided,* That each such officer shall be entitled to retired pay equal to 75 percent of the active-duty pay provided herein for a fleet admiral: *Provided further,* That no officer of the naval service on the active or retired list shall be appointed or advanced to the grade or rank of fleet admiral except as provided in this act.

SEC. 5. This act shall be effective only until 6 months after the termination of the wars in which the United States is now engaged as proclaimed by the President, or such earlier date as the Congress by concurrent resolution may fix.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to establish the grade of fleet admiral of the United States Navy, and for other purposes."

#### USE OF CASHIER'S CHECKS IN PAYMENT FOR REVENUE STAMPS

Mr. PEPPER. Mr. President, I request the attention of the able senior Senator from Georgia [Mr. GEORGE]. I move that the Senate proceed to the consideration of Senate bill 1419, Calendar No. 829, to authorize collectors of internal revenue to receive cashier's checks of certain banking institutions in payment for revenue stamps. The bill is on the calendar, let me say, by favorable report of the Finance Committee, and I ask for its immediate consideration.

Mr. WHITE. Mr. President, will the clerk indicate what the bill is?

The PRESIDING OFFICER. The bill will be read by title, for the information of the Senate.

The CHIEF CLERK. A bill (S. 1419) to authorize collectors of internal revenue to receive cashier's checks of certain banking institutions in payment for revenue stamps.

Mr. WHITE. Is the Senator from Florida requesting unanimous consent for the present consideration of the bill?

Mr. PEPPER. I am.

Mr. WHITE. Mr. President, the bill is on the calendar. As I said just a moment ago, the majority leader has indicated that tomorrow there will be a call of the calendar. I also said a few moments ago that I would object to consideration today by unanimous consent of any other bills which are on the calendar and are in order for consideration tomorrow. Therefore, I must object to the request of the Senator from Florida.

Mr. PEPPER. Mr. President, if the able senior Senator from Maine will withhold his objection for a moment, let me say that unfortunately I shall not be able to be present in the Senate tomorrow afternoon. The bill is a matter of public interest. It is recommended by the bankers' associations. It has been favorably reported by the able Committee on Finance. The bill and two or three amendments which I have proposed to it are agreeable to the Treasury. The Senator would greatly oblige me if he would permit me to present this matter at this time.

The PRESIDING OFFICER. Did the Senator from Florida request unanimous consent for present consideration of the bill, or did he move its present consideration? The Chair understood that the Senator made such a motion.

Mr. PEPPER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. PEPPER. Is unanimous consent necessary for the present consideration of this bill?

The PRESIDING OFFICER. A motion for its consideration is in order.

Mr. PEPPER. That is what I thought. I first made a motion for its present consideration, but I heard a reference made to unanimous consent.

However, because of the fact that I shall not be in the Senate Chamber tomorrow afternoon, I hope the able senior Senator from Maine will not object to having the bill taken up at this time.

Mr. WHITE. Mr. President, I must insist on standing where I stood a few moments ago when I announced that I would object to unanimous-consent requests for the consideration of bills which are on the calendar and are in order for consideration tomorrow.

Mr. PEPPER. Mr. President, I now move that the Senate proceed to the consideration of Senate bill 1419.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Florida [putting the question].

The motion was rejected.

Mr. GEORGE. Mr. President, I very much hope that this matter may be disposed of at this time. Allow me to suggest that if the Senator from Florida [Mr. PEPPER] is unable to be present in the Chamber tomorrow, amendments to the bill be considered this afternoon, and tomorrow I shall undertake to secure the passage of the bill on the call of the calendar.

Mr. WHITE. My only purpose is to keep within the rules of the Senate.

Mr. GEORGE. I understand.

Mr. PEPPER. Mr. President, I did not hear the statement of the Senator from Georgia.

Mr. GEORGE. I suggested that the Senator from Florida have his amendments to the bill presented, and after they are disposed of the final passage of the bill can wait until tomorrow. I stated that tomorrow I would endeavor to have it passed.

Mr. PEPPER. The Senator from Georgia is very kind.

Mr. GEORGE. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Senate bill 1419, that the amendments be now considered, and that final passage of the bill be postponed until tomorrow.

There being no objection, the Senate proceeded to consider the bill (S. 1419) to authorize collectors of internal revenue to receive cashier's checks of certain banking institutions in payment for revenue stamps, which had been reported from the Committee on Finance with an amendment to the bill and an amendment to the title.

The amendment of the Committee on Finance was to strike out all after the enacting clause and insert:

That section 3656 of the Internal Revenue Code (relating to payment of taxes by check) is amended to read as follows:

"Sec. 3656. Payment by check and money orders.

"(a) Certified, cashiers', and treasurers' checks and money orders.—

"(1) Authority to receive: It shall be lawful for collectors to receive for internal revenue taxes or in payment of stamps to be used in payment of internal revenue taxes certified, cashiers', and treasurers' checks drawn on National and State banks and trust companies and United States postal money orders during such time and under such regulations as the Commissioner, with the approval of the Secretary, may prescribe.

"(2) Discharge of liability.—

"(A) Check duly paid: No person who may be indebted to the United States on account of internal revenue taxes or stamps used or to be used in payment of internal revenue taxes who shall have tendered a certified, cashier's, or treasurer's check or checks as provisional payment therefor, in accordance with the terms of this subsection, shall be released from the obligation to make ultimate payment thereof until such certified, cashier's, or treasurer's check so received has been duly paid.

"(B) Check unpaid: If any such check so received is not duly paid by the bank on which it is drawn, the United States shall, in addition to its right to exact payment from the party originally indebted therefor, have a lien for the amount of such check upon all the assets of such bank; and such amount shall be paid out of its assets in preference to any or all other claims whatsoever against said bank, except the necessary costs and expenses of administration and the reimbursement of the United States for the amount expended in the redemption of the circulating notes of such bank.

"(b) Other checks.—

"(1) Authority to receive: Collectors may receive checks in addition to those specified in subsection (a) in payment of taxes other than those payable by stamp during such time and under such rules and regulations as the Commissioner, with the approval of the Secretary, shall prescribe.

"(2) Ultimate liability: If a check so received is not paid by the bank on which it is drawn the person by whom such check has been tendered shall remain liable for the payment of the tax and for all legal penalties and additions to the same extent as if such check had not been tendered."

Mr. PEPPER. Mr. President, apropos of the amendment which has been read, and as having a bearing on the amendments which I shall offer, I should like to read a portion of a letter which I received from the Acting Secretary of the Treasury dated May 19, 1944, addressed to Hon. WALTER F. GEORGE, chairman of the Committee on Finance, United States Senate. I read from the letter for the purpose of making clearer the definition of the term "money orders" used in the amendment. The portion of the letter which I wish to read is as follows:

The most difficult problem presented by this proposal is to define with any precision what the words "money orders" mean. In addition to postal money orders, there are in common use certain instruments for the transfer of money issued by the American Express Co. and the Western Union Telegraph Co. which are referred to as "money orders." At present there is also a growing practice for banks to issue instruments having characteristics of cashiers' checks, but also bearing the name of the purchaser, which are denominated as "money orders." So far as legal authorities are concerned there is a paucity of any consideration as to what constitutes a money order, none of the reported court decisions undertaking any detailed or reliable definition of the term.

It is believed, however, that making any of the instruments in use, to which reference has been made above, acceptable in payment of revenue stamps would result in no greater loss of revenue than the acceptance of certified checks now provided for by the statute. Each of these instruments conforms to the important test that once delivered to the collector it would not be revocable by the remitter. Hence, if acceptance by the collectors could be confined to these instruments, this Department would have no objection to Senator PEPPER's proposal.

I wanted it to be understood, Mr. President, that I was keeping faith with the Treasury by making it clear in connection with the adoption of the amendments which I shall propose, that we were talking about the kind of money orders enumerated and identified in the letter from which I have read.

Mr. President, on page 2, line 15, in the committee amendment, after the word "postal", I move to amend by inserting "bank and express."

The amendment to the amendment was agreed to.

Mr. PEPPER. On the same page, line 23, after the word "check", I move to amend by striking out the words "or checks" and inserting "or money order."

The amendment to the amendment was agreed to.

Mr. PEPPER. On page 3, line 2, after the word "check", I move to amend by inserting "or money order."

The amendment to the amendment was agreed to.

Mr. PEPPER. On the same page, line 4, after the words "such check", I move to amend by inserting "or money order."

The amendment to the amendment was agreed to.



Mr. PEPPER. On the same page, line 5, after the word "paid", I move to amend by striking out "by the bank on which it is drawn."

The amendment to the amendment was agreed to.

Mr. PEPPER. On the same page, line 8, after the word "amount", I move to strike out "of such check."

The amendment to the amendment was agreed to.

Mr. PEPPER. On the same page, line 9, after the word "of", I move to amend by inserting "the bank on which drawn or upon all the assets of the issuer of said money order."

The amendment to the amendment was agreed to.

Mr. PEPPER. On the same page, line 12, after the word "bank", I move to amend by inserting "or issuer."

The amendment to the amendment was agreed to.

The committee amendment as amended was agreed to.

Mr. GEORGE. Mr. President, that disposes of all the amendments.

The PRESIDING OFFICER. Pursuant to the request of the Senator from Georgia [Mr. GEORGE], the final disposition of the bill will be postponed until tomorrow.

#### LOUIS COURCIL—CONFERENCE REPORT

Mr. ELLENDER submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 248) for the relief of Louis Council having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, as follows: In lieu of the figures "\$3,500" insert "\$5,000"; and the Senate agree to the same.

ALLEN J. ELLENDER,  
JAMES M. TUNNELL,  
GEO. A. WILSON,  
*Managers on the part of the Senate.*

DAN R. MCGEEHEE,  
W. A. PITTENGER,  
*Managers on the part of the House.*

The report was agreed to.

#### REV. C. M. MCKAY—CONFERENCE REPORT

Mr. ELLENDER submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 544) for the relief of Rev. C. M. McKay having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, as follows: In lieu of the figures "\$581.10" insert "\$781.10"; and the Senate agree to the same.

ALLEN J. ELLENDER,  
JAMES M. TUNNELL,  
GEO. A. WILSON,  
*Managers on the part of the Senate.*

DAN R. MCGEEHEE,  
J. EDGAR CHENOWETH,  
*Managers on the part of the House.*

The report was agreed to.

#### DELORES LEWIS—CONFERENCE REPORT

Mr. ELLENDER submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1313) for the relief of Delores Lewis having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, as follows: In lieu of the figures "\$369" insert "\$700"; and the Senate agree to the same.

ALLEN J. ELLENDER,  
TOM STEWART,  
E. V. ROBERTSON,  
*Managers on the part of the Senate.*

DAN R. MCGEEHEE,  
T. G. ABERNETHY,  
*Managers on the part of the House.*

The report was agreed to.

#### EDDIE T. STEWART—CONFERENCE REPORT

Mr. ELLENDER submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1411) for the relief of Eddie T. Stewart having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, as follows: In lieu of the figures "\$1,292.50" insert "\$2,000"; and the Senate agree to the same.

ALLEN J. ELLENDER,  
JAMES M. TUNNELL,  
GEO. A. WILSON,  
*Managers on the part of the Senate.*

DAN R. MCGEEHEE,  
JOHN JENNINGS, JR.,  
NAT PATTON,  
*Managers on the part of the House.*

The report was agreed to.

#### MILDRED B. HAMPTON—CONFERENCE REPORT

Mr. ELLENDER submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1412) for the relief of Mildred B. Hampton having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, as follows: In lieu of the figures "\$487.50" insert the figures "\$1,000.00"; and the Senate agree to the same.

ALLEN J. ELLENDER,  
KENNETH S. WHERRY,  
*Managers on the part of the Senate.*

DAN R. MCGEEHEE,  
NAT PATTON,  
*Managers on the part of the House.*

The report was agreed to.

#### EDWARD E. HELD AND MARY JANE HELD—CONFERENCE REPORT

Mr. ELLENDER submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2625) for the relief of Edward E. Held and Mary Jane Held having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, as follows: In lieu of the figures "\$4,000" insert the figures "\$4,500"; and the Senate agree to the same.

ALLEN J. ELLENDER,  
JAMES O. EASTLAND,  
ARTHUR CAPPER,  
*Managers on the part of the Senate.*

DAN R. MCGEEHEE,  
JOHN JENNINGS, JR.,  
NAT PATTON,  
A. M. FERNANDEZ,  
*Managers on the part of the House.*

The report was agreed to.

#### MAVIS NORRINE COTHRON AND THE LEGAL GUARDIAN OF NORMA LEE COTHRON ET AL.—CONFERENCE REPORT

Mr. ELLENDER submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3390) for the relief of Mavis Norrine Cothron and the legal guardian of Norma Lee Cothron, Florence Janet Cothron, and Nina Faye Cothron having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate numbered (1) and agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered (2), and agree to the same with an amendment, as follows: In lieu of the figures "\$3,000" insert the figures "\$4,000"; and the Senate agree to the same.

ALLEN J. ELLENDER,  
JAMES M. TUNNELL,  
GEO. A. WILSON,  
*Managers on the part of the Senate.*

DAN R. MCGEEHEE,  
LEX GREEN,  
*Managers on the part of the House.*

The report was agreed to.

#### REV. JAMES T. DENIGAN—CONFERENCE REPORT

Mr. ELLENDER submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3538) for the relief of Rev. James T. Denigan having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, as follows: In lieu of the figures "\$5,578.85" insert the figures "\$6,500"; and the Senate agree to the same.

ALLEN J. ELLENDER,  
KENNETH S. WHERRY,  
*Managers on the part of the Senate.*

DAN R. MCGEEHEE,  
W. A. PITTENGER,  
*Managers on the part of the House.*

The report was agreed to.

# SETTLEMENT OF CLAIMS ARISING FROM TERMINATED WAR CONTRACTS—CON- FERENCE REPORT

Mr. JOHNSON of Colorado submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1718) to provide for the settlement of claims arising from terminated war contracts, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

## "OBJECTIVES OF THE ACT

"SECTION 1. The Congress hereby declares that the objectives of this Act are—

"(a) to facilitate maximum war production during the war, and to expedite reconversion from war production to civilian production as war conditions permit;

"(b) to assure to prime contractors and subcontractors, small and large, speedy and equitable final settlement of claims under terminated war contracts, and adequate interim financing until such final settlement;

"(c) to assure uniformity among Government agencies in basic policies and administration with respect to such termination settlements and interim financing;

"(d) to facilitate the efficient use of materials, manpower, and facilities for war and civilian purposes by providing prime contractors and subcontractors with notice of termination of their war contracts as far in advance of the cessation of work thereunder as is feasible and consistent with the national security;

"(e) to assure the expeditious removal from the plants of prime contractors and subcontractors of termination inventory not to be retained or sold by the contractor;

"(f) to use all practicable methods compatible with the foregoing objectives to prevent improper payments and to detect and prosecute fraud.

## "SURVEILLANCE BY CONGRESS

"SEC. 2. (a) To assist the Congress in appraising the administration of this Act and in developing such amendments or related legislation as may further be necessary to accomplish the objectives of the Act, the appropriate committees of the Senate and the House of Representatives shall study each report submitted to the Congress under this Act and shall otherwise maintain continuous surveillance of the operations of the Government agencies under the Act.

"(b) In January, April, July, and October of each year, the Director shall submit to the Senate and House of Representatives a quarterly progress report on the exercise of his duties and authority under this Act, the status of contract terminations, termination settlements, and interim financing and such other pertinent information on the administration of the Act as will enable the Congress to evaluate its administration and the need for amendments and related legislation.

## "DEFINITIONS

"SEC. 3. As used in this Act—

"(a) The term 'prime contract' means any contract, agreement, or purchase order heretofore or hereafter entered into by a contracting agency and connected with or related to the prosecution of the war; and the term 'prime contractor' means any holder of one or more prime contracts.

"(b) The term 'subcontract' means any contract, agreement, or purchase order heretofore or hereafter entered into to perform any work, or to make or furnish any material to the extent that such work or material is required for the performance of any one or more prime contracts or of any one or more other subcontracts; and the term 'subcontractor' means any holder of one or more subcontracts.

"(c) The term 'war contract' means a prime contract or a subcontract; and the term 'war contractor' means any holder of one or more war contracts.

"(d) The terms 'termination', 'terminate', and 'terminated' refer to the termination or cancellation, in whole or in part, of work under a prime contract for the convenience or at the option of the Government (except for default of the prime contractor) or of work under a subcontract for any reason except the default of the subcontractor.

"(e) The term 'material' includes any article, commodity, machinery, equipment, accessory, part, component, assembly, work in process, maintenance, repair, and operating supplies, and any product of any kind.

"(f) The term 'Government agency' means any executive department of the Government, or any administrative unit or subdivision thereof, any independent agency or any corporation owned or controlled by the United States in the executive branch of the Government, and includes any contracting agency.

"(g) The term 'contracting agency' means any Government agency which has been or hereafter may be authorized to make contracts pursuant to section 201 of the First War Powers Act, 1941, and includes the Reconstruction Finance Corporation and any corporation organized pursuant to the Reconstruction Finance Corporation Act (47 Stat. 5), as amended, the Smaller War Plants Corporation, and the War Production Board.

"(h) The term 'termination claim' means any claim or demand by a war contractor for fair compensation for the termination of any war contract and any other claim under a terminated war contract, which regulations prescribed under this Act authorize to be asserted and settled in connection with any termination settlement.

"(i) The term 'interim financing' includes advance payments, partial payments, loans, discounts, advances, and commitments in connection therewith, and guarantees of loans, discounts, advances, and commitments in connection therewith and any other type of financing made in contemplation of or related to termination of war contracts.

"(j) The term 'Director' means the Director of Contract Settlement.

"(k) The term 'person' means any individual, corporation, partnership, firm, association, trust, estate, or other entity.

"(l) The term 'termination inventory' means any materials (including a proper part of any common materials), properly allocable to the terminated portion of a war contract except any machinery or equipment subject to a separate contract specifically governing the use or disposition thereof.

"(m) The term 'final and conclusive', as applied to any settlement, finding, or decision, means that such settlement, finding, or decision shall not be reopened, annulled, modified, set aside, or disregarded by any officer, employee, or agent of the United States or in any suit, action, or proceeding except as provided in this Act.

## "DIRECTOR OF CONTRACT SETTLEMENT

"SEC. 4. (a) There is hereby established the Office of Contract Settlement which shall be headed by the Director of Contract Settlement. The Director shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive com-

pensation at the rate of \$12,000 per year, and shall serve for a term of two years.

"(b) In order to insure uniform and efficient administration of the provisions of this Act, the Director, subject to such provisions, by general orders or general regulations—

"(1) shall prescribe policies, principles, methods, procedures, and standards to govern the exercise of the authority and discretion and the performance of the duties and functions of all Government agencies under this Act; and

"(2) may require or restrict the exercise of any such authority and discretion, or the performance of any such duty or function, to such extent as he deems necessary to carry out the provisions of this Act.

"(c) The exercise of any authority or discretion and the performance of any duty or function, conferred or imposed on any Government agency by this Act, shall be subject to such orders and regulations prescribed by the Director pursuant to subsection (b) of this section. Each Government agency shall carry out such orders and regulations of the Director expeditiously, and shall issue such regulations with respect to its operations and procedures as may be necessary to carry out the policies, principles, methods, procedures, and standards prescribed by the Director. Any Government agency may issue such further regulations not inconsistent with the general orders or regulations of the Director as it deems necessary or desirable to carry out the provisions of this Act.

"(d) The Director may, within the limits of fund: which may be made available, employ and fix the compensation of necessary personnel in accordance with the provisions of the civil-service laws and the Classification Act of 1923 and make expenditures for supplies, facilities, and services necessary for the performance of his functions under this Act. Without regard to the provisions of the civil-service laws and the Classification Act of 1923, he may appoint a Deputy Director and may employ certified public accountants, qualified cost accountants, industrial engineers, appraisers, and other experts, and fix their compensation, and contract with certified public accounting firms and qualified firms of engineers in the discharge of the duties imposed upon him and in furtherance of the objectives and policies of this Act. The Director shall perform the duties imposed upon him through the personnel and facilities of the contracting agencies and other established Government agencies, to the extent that this does not interfere with the function of the Director to insure uniform and efficient administration of the provisions of this Act.

"(e) All orders and regulations prescribed by the Director or any Government agency under this Act shall be published in the Federal Register.

## "CONTRACT SETTLEMENT ADVISORY BOARD

"SEC. 5. There is hereby created a Contract Settlement Advisory Board, with which the Director shall advise and consult. The Board shall be composed of the Director, who shall act as its Chairman, and of the Secretary of War, the Secretary of the Navy, the Secretary of the Treasury, the Chairman of the Maritime Commission, the Administrator of the Foreign Economic Administration, the chairman of the board of directors of the Reconstruction Finance Corporation, the Chairman of the War Production Board, the chairman of the board of directors of the Smaller War Plants Corporation, and the Attorney General or any alternate or representative designated by any of them. The Director shall request other Government agencies to participate in the deliberations of the Board whenever matters specially affecting them are under consideration.



"SEC. 6. (a) It is the policy of the Government, and it shall be the responsibility of the contracting agencies and the Director, to provide war contractors with speedy and fair compensation for the termination of any war contract, in accordance with and subject to the provisions of this Act, giving priority to contractors whose facilities are privately owned or privately operated. Such fair compensation for the termination of subcontracts shall be based on the same principles as compensation for the termination of prime contracts.

"(b) Each contracting agency shall establish methods and standards, suitable to the conditions of various war contractors, for determining fair compensation for the termination of war contracts on the basis of actual, standard, average, or estimated costs, or of a percentage of the contract price based on the estimated percentage of completion of work under the terminated contract, or on any other equitable basis, as it deems appropriate. To the extent that such methods and standards require accounting, they shall be adapted, so far as practicable, to the accounting systems used by war contractors, if consistent with recognized commercial accounting practice.

"(c) Any contracting agency may settle all or any part of any termination claim under any war contract by agreement with the war contractor, or by determination of the amount due on the claim or part thereof without such agreement, or by any combination of these methods. Where any such settlement is made by agreement, the settlement shall be final and conclusive, except (1) to the extent otherwise agreed in the settlement; (2) for fraud; (3) upon renegotiation to eliminate excessive profits under the Renegotiation Act, unless exempt or exempted under that Act; or (4) by mutual agreement before or after payment. Where any such settlement is made by determination without agreement, it shall likewise be final and conclusive, subject to the same exceptions as if made by agreement, unless the war contractor appeals or brings suit in accordance with section 13 of this Act: *Provided*, That no settlement agreement hereunder involving payment to a war contractor of an amount in excess of \$50,000 (or such lesser amount as the Director may from time to time determine) shall become binding upon the Government until the agreement has been reviewed and approved by a settlement review board of three or more members established by the contracting agency in the bureau, division, regional or district office, or other unit of the contracting agency authorized to make such settlement, or in the event of disapproval by the settlement review board, unless approved by the head of such bureau, division, regional or district office, or other unit. Failure of the settlement review board to act upon any settlement within 30 days after its submission to the board shall operate as approval by the board. The sole function of settlement review boards shall be to determine the over-all reasonableness of proposed settlement agreements from the point of view of protecting the interests of the Government. In determining, for purposes of this subsection, whether review of any settlement agreement is required because of the amounts involved, no deduction shall be made on account of credits for property chargeable to the Government or for advance or partial payments, but amounts payable under such settlement agreement for completed articles or work at the contract price and for the discharge of the termination claims of subcontractors shall be deducted.

"(d) Except as hereinafter provided, the methods and standards established under subsection (b) of this section for determining fair compensation for termination claims which are not settled by agreement shall be designed to compensate the war contractor

fairly for the termination of the war contract, taking into account:

"(1) the direct and indirect manufacturing, selling, and distribution, administrative and other costs and expenses incurred by the war contractor which are reasonably necessary for the performance of the war contract and properly allocable to the terminated portion thereof under recognized commercial accounting practices; and

"(2) reasonable costs and expenses of settling termination claims of subcontractors related to the terminated portion of the war contract; and

"(3) reasonable accounting, legal, clerical, and other costs and expenses incident to termination and settlement of the terminated war contract; and

"(4) reasonable costs and expenses of removing, preserving, storing and disposing of termination inventories; and

"(5) such allowance for profit on the preparations made and work done for the terminated portion of the war contract as is reasonable under the circumstances; and

"(6) interest on the termination claim in accordance with subsection (f) of this section; and

"(7) the contract price and all amounts otherwise paid or payable under the contract. The following shall not be included as elements of cost:

"(i) Losses on other contracts, or from sales or exchanges of capital assets, fees and other expenses in connection with reorganization or recapitalization, antitrust or Federal income-tax litigation, or prosecution of Federal income-tax claims or other claims against the Government (except as provided in paragraph (3) above); losses on investments; provisions for contingencies; and premiums on life insurance where the contractor is the beneficiary.

"(ii) The expense of conversion of the contractor's facilities to uses other than the performance of the contract.

"(iii) Expenses due to the negligence or willful failure of the contractor to discontinue with reasonable promptness the incurring of expenses after the effective date of the termination notice.

"(iv) Costs incurred in respect to facilities, materials, or services purchased or work done in excess of the reasonable quantitative requirements of the entire contract.

"The failure specifically to mention in this subsection any item of cost is not intended to imply that it should be allowed or disallowed. The Director may interpret the provisions of this subsection (d) and may provide for the inclusion or exclusion of other costs in accordance with recognized commercial accounting practice.

"Where the small size of claims or the nature of production or performance or other factors make it impracticable to apply the principles stated in this subsection (d) to any class of settlements which are subject to this subsection (d), the contracting agencies may establish alternative methods and standards for determining fair compensation for that class of termination claims. The aggregate amount of compensation allowed in accordance with this subsection (excluding amounts allowed under paragraphs (3) and (4) above) shall not exceed the total contract price reduced by the amount of payments otherwise made or to be made under the contract.

"(e) In order to carry out the objectives of this Act, termination claims shall be settled by agreement to the maximum extent feasible and the methods and standards established under subsection (b) of this section shall be designed to facilitate such settlements. To the extent that he deems it practicable to do so without impeding expeditious settlements, the Director shall require the contracting agencies to take into account the factors enumerated in subsection (d)

above in establishing methods and standards for determining fair compensation in the settlement of termination claims by agreement.

"(f) Each contracting agency shall allow and pay interest on the amount due and unpaid from time to time on any termination claim under a prime contract at the rate of 2½ per centum per annum for the period beginning thirty days after the date fixed for termination and ending with the date of final payment, except that (1) if the prime contractor unreasonably delays the settlement of his claim, interest shall not accrue for the period of such delay, (2) if interest for the period after termination on any advance payment or loan, made or guaranteed by the Government, has been waived for the benefit of the contractor, the amount of the interest so waived allocable to the terminated contract or the terminated part of the contract shall be deducted from the interest otherwise payable hereunder, and (3) if after delivery of findings by a contracting agency, the contractor appeals or sues as provided in section 13, interest shall not accrue after the thirtieth day following the delivery of the findings on any amount allowed by such findings, unless such amount is increased upon such appeal or suit. In approving, ratifying, authorizing, or making termination settlements with subcontractors, each contracting agency shall allow interest on the termination claim of the subcontractor on the same basis and subject to the same conditions as are applicable to a prime contractor.

"(g) Where any war contract does not provide for or provides against such fair compensation for its termination, the contracting agency, either before or after its termination, shall amend such war contract by agreement with the war contractor, or shall authorize, approve, or ratify an amendment of such war contract by the parties thereto, to provide for such fair compensation.

"SEC. 7. (a) Where, in connection with the settlement of any termination claim by a contracting agency, any war contractor makes settlements of the termination claims of his subcontractors, the contracting agency shall limit or omit its review of such settlements with subcontractors to the maximum extent compatible with the public interest. Any contracting agency (1) may approve, ratify, or authorize such settlements with subcontractors upon such evidence, terms, and conditions as it deems proper; (2) shall vary the scope and intensity of its review of such settlements according to the reliability of the war contractor, the size, number, and complexity of such claims, and other relevant factors; and (3) shall authorize war contractors to make such settlements with subcontractors without review by the contracting agency, whenever the reliability of the war contractor, the amount or nature of the claims, or other reasons appear to the contracting agency to justify such action. Any such settlement of a subcontract approved, ratified, or authorized by a contracting agency shall be final and conclusive as to the amount due to the same extent as a settlement under subsection (c) of section 6 of this Act, and no war contractor shall be liable to the United States on account of any amounts paid thereon except for his own fraud.

"(b) Whenever any contracting agency is satisfied of the inability of a war contractor to meet his obligations it shall exercise supervision or control over payments to the war contractor on account of termination claims of subcontractors of such war contractor to such extent and in such manner as it deems necessary or desirable for the purpose of assuring the receipt of the benefit of such payments by the subcontractors.

"(c) The Director shall prescribe policies and methods for the settlement as a group, or otherwise, by any contracting agency of

some or all of the termination claims of a war contractor under war contracts with one or more (1) bureaus or divisions within a contracting agency, (2) contracting agencies, or (3) prime contractors and subcontractors, to the extent he deems such action necessary or desirable for expeditious and equitable settlement of such claims. After consulting with the contracting agencies concerned, the Director may provide for assigning any war contractor to a contracting agency for such settlement, and such agency shall have authority to settle, on behalf of any other contracting agency, some or all of the termination claims of such war contractor.

"(d) Any contracting agency may settle directly termination claims of subcontractors to the extent that it deems such action necessary or desirable for the expeditious and equitable settlement of such claims. In making such termination settlements any contracting agency may discharge the claim of the subcontractor by payment or may purchase such claim, and may agree to assume, or indemnify the subcontractor against, any claims by any person in connection with such claim or the termination settlement. Any contracting agency undertaking to settle the termination claim of any subcontractor shall deliver to the subcontractor and the war contractor liable to him written notice stating its acceptance of responsibility for settling his claim and the conditions applicable thereto, which may include the release, or assignment to the contracting agency, of his claim against the war contractor liable to him; upon consent thereto by the subcontractor, the Government shall become liable for the settlement of his claims upon the conditions specified in the notice.

"(e) Any contracting agency may make settlements with subcontractors in accordance with any of the provisions of this Act without regard to any limitation on the amount payable by the Government to the prime contractor.

"(f) If any contracting agency determines that in the circumstances of a particular case equity, and good conscience require fair compensation for the termination of a war contract to be paid to a subcontractor who has been deprived of and cannot otherwise reasonably secure such fair compensation, the contracting agency concerned may pay such compensation to him although such compensation already has been included and paid as part of a settlement with another war contractor.

#### "INTERIM FINANCING"

"Sec. 8. (a) It is the policy of the Government, and it shall be the responsibility of the contracting agencies and the Director, in accordance with and subject to the provisions of this Act, to provide war contractors having any termination claim or claims, pending their settlement, with adequate interim financing, within thirty days after proper application therefor.

"(b) Each contracting agency shall, to the greatest extent it deems practicable, make available interim financing through loans and discounts, and commitments and guaranties in connection therewith, in contemplation of or related to termination of war contracts. Where interim financing is made by advance payments or partial payments, it shall, insofar as practicable, consist of the following:

"(1) An amount equal to 100 per centum of the amount payable, at the contract price, on account of acceptable items completed prior to the termination date under the terms of the contract, or completed thereafter with the approval of the contracting agency; plus

"(2) An amount equal to 90 per centum of the cost of raw materials, purchased parts, supplies, direct labor, and manufacturing overhead allocable to the terminated portion of the war contract; plus

"(3) A reasonable percentage of other allowable costs, including administrative overhead, allocable to the terminated portion of the war contract not included in the foregoing; plus

"(4) Such additional amounts, if any, as the contracting agency deems necessary to provide the war contractor with adequate interim financing.

"(5) In lieu of the costs referred to in clauses (2) and (3) of this subsection, where a detailed ascertainment of such costs is not suitable to the conditions of any war contractor and is apt to cause delay in the obtaining of interim financing by him, that portion of such interim financing shall be equal to an amount not greater than 90 per centum of the estimated costs which are allocable to the terminated part or parts of the war contract or group of war contracts, and are ascertained in accordance with such methods and standards as the Director shall prescribe.

"(6) There shall be deducted from the amount of such interim financing any unliquidated balances of advance and partial payments theretofore made to such war contractor, which are allocable to the terminated war contract or the terminated part of the war contract.

"(c) The Director shall prescribe (1) the types of estimates, certificates, or other evidence to be required to support such interim financing; (2) the terms and conditions upon which such interim financing shall be made including the use of standard forms for agreements with respect to such interim financing to the extent practicable; (3) the classes of cases in which such interim financing shall be refused; and (4) such methods of supervision and control over such interim financing as he deems necessary or desirable to assure adequate and speedy interim financing to subcontractors of the war contractor.

"(d) In case of an overstatement by any war contractor of the amount due on his termination claim or claims in connection with any interim financing under this Act, such contractor shall pay to the United States, as a penalty, an amount equal to 6 per centum of the amount of the overstatement, but the Director may suspend or modify any such penalty if in his opinion the imposition thereof would be inequitable. Any penalty may be deducted from any amounts due the war contractor upon such termination claim or claims, or otherwise, or may be collected from the war contractor by suit. The obligation to pay any penalty imposed and to repay any interim financing made or assumed by the United States under this Act shall constitute a debt due to the United States within the meaning of Revised Statutes, section 3466 (31 U. S. C., sec. 191).

"(e) Any contracting agency may allow any advance payments, previously made or authorized by it in connection with the performance of a war contract, to be used for payments and expenses related to the termination settlement of such contract, upon such terms and conditions as it deems necessary or appropriate, to protect the interest of the Government.

"(f) No interim financing shall be made by any contracting agency under this Act unless the terms of such financing provide for the liquidation by the war contractor of all loans, discounts, advance payments, or partial payments thereunder not later than the time of final payment of the amount due on the settlement of the termination claim or claims of the war contractor involved or such time thereafter as the contracting agency deems necessary for the liquidation of such interim financing in an orderly manner.

"(g) Any contracting agency may settle, upon such terms and conditions as it deems proper, any claim or obligation due by or to the Government arising from or related to any interim financing made, acquired, or au-

thorized by it. Any interim financing made, acquired, or authorized by any contracting agency before the effective date of this Act shall be valid to the extent it would be authorized under the provisions of this Act if made after its effective date.

"Sec. 9. (a) Any contracting agency may make advance or partial payments to any war contractor on account of any termination claim or claims, and may authorize, approve, or ratify any such advance or partial payments by any war contractor to his subcontractors, upon such conditions as it deems necessary to insure compliance with the provisions of subsection (b) of this section. Each contracting agency shall make final payments from time to time on partial settlements or on settlements fixing a minimum amount due before complete settlement, or as tentative payments before any settlement of the claim or claims.

"(b) Where any such advance or partial payment is made to any war contractor by any contracting agency or by another war contractor under this section, except a final payment on a partial settlement, any amount in excess of the amount finally determined to be due on the termination claim shall be treated as a loan from the Government to the war contractor receiving it, and shall be payable upon demand together with a penalty computed at the rate of 6 per centum per annum, for the period from the date such excess advance or partial payment is received to the date on which such excess is repaid or extinguished. Where the advance or partial payment was made by a war contractor and authorized, approved, or ratified by any contracting agency, the war contractor making it shall not be liable for any such excess payment in the absence of fraud on his part and shall receive payment or credit from the Government for the amount of such excess payment.

"Sec. 10. (a) Any contracting agency is authorized—

"(1) to enter into contracts with any Federal Reserve bank, or other public or private financing institution, guaranteeing such financing institution against loss of principal or interest on loans, discounts, or advances or on commitments in connection therewith, which such financing institution may make to any war contractor or to any person who is or has been engaged in performing any operation deemed by such contracting agency to be connected with or related to war production, for the purpose of financing such war contractor or other person in connection with or in contemplation of the termination of one or more such war contracts or operations;

"(2) to make, enter into contracts to make, or to participate with any Government agency, any Federal Reserve bank or public or private financing institution in making loans, discounts, or advances, or commitments in connection therewith, for the purpose of financing any such war contractor or other person in connection with or in contemplation of the termination of such war contracts or operations.

"(b) Any such loan, discount, advance, guaranty, or commitment in connection therewith may be secured by assignment of, or covenants to assign, some or all of the rights of such war contractor or other person in connection with the termination of such war contracts or operations, or in such other manner as the contracting agency may prescribe.

"(c) Subject to such regulations as the Board of Governors of the Federal Reserve System may prescribe with the approval of the Director, any Federal Reserve bank is authorized to act, on behalf of the contracting agencies, as fiscal agent of the United States in carrying out the purposes of this Act.



"(d) This section shall not limit or affect any authority of any contracting agency, under any other statute, to make loans, discounts, or advances, or commitments in connection therewith or guaranties thereof.

#### "ADVANCE NOTICE

"SEC. 11. (a) In order to facilitate the efficient use of materials, manpower, and facilities for war and civilian purposes, each contracting agency—

"(1) shall provide its prime contractors with notice of termination of their prime contracts as far in advance of the cessation of work thereunder as is feasible and consistent with the national security without permitting unneeded production or performance;

"(2) shall establish procedures whereby prime contractors shall provide affected subcontractors with immediate notice of termination; and

"(3) shall permit the continuation of some or all of the work under a terminated prime contract whenever the agency deems that such continuation will benefit the Government or is necessary to avoid substantial injury to the plant or property.

"(b) Whenever a contracting agency hereafter directs a prime contractor to cease or suspend all or a substantial part of the work under a prime contract, without terminating the contract, then, unless the contract provides otherwise, (1) the contracting agency shall compensate the contractor for reasonable costs and expenses resulting from such cessation or suspension, and (2) if the cessation or suspension extends for thirty days or more, the contractor may elect to treat it as a termination by delivering written notice of his election so to do to the contracting agency, at any time before the contracting agency directs the prime contractor to resume work under the contract.

"(c) The Director shall have no authority under this Act to regulate or control the classes of contracts to be terminated by the contracting agencies.

#### "REMOVAL AND STORAGE OF MATERIALS

"SEC. 12. (a) It is the policy of the Government, upon the termination of any war contract, to assure the expeditious removal from the plant of the war contractor of the termination inventory not to be retained or sold by the war contractor.

(b) Any war contractor may submit to the contracting agency concerned or to any other Government agency designated by the Director, one or more statements showing the materials which such war contractor claims to be termination inventory under one or more war contracts and desires to have removed by the Government. Such statements shall be prepared in such form and detail, shall be submitted in such manner, through the prime contractor or otherwise, and shall be supported by such certificates or other data, as may be prescribed under this Act.

"(c) Within sixty days after the submission of any such statement by a war contractor, or such shorter period as may be prescribed under this Act, or within such longer period as the war contractor may agree, the Government agency concerned (1) shall arrange, upon such terms and conditions as may be agreed, for the storage by the war contractor on his own premises or elsewhere of all such claimed termination inventory which the war contractor does not retain or dispose of, except any part which may be determined not to be allocable to the terminated war contract or contracts, or (2) shall remove from the plant or plants of the war contractor all of such claimed termination inventory not retained, disposed of, or stored by the war contractor or determined not to be allocable to the terminated war contract or contracts.

"(d) Upon the failure of the Government so to arrange for storage by the war con-

tractor or to remove any termination inventory within the period specified under subsection (c) of this section, the war contractor, subject to regulations prescribed under this Act, may remove some or all of such termination inventory from his plant or plants and may store it on his own premises or elsewhere for the account and at the risk and expense of the Government, using reasonable care for its transportation and preservation. If any war contractor intends so to remove any claimed termination inventory, he shall deliver to the Government agency concerned written notice of the date fixed for removal and a statement showing the quantities and condition of the materials so to be removed, certified on behalf of the war contractor to have been prepared in accordance with a concurrent physical inventory of such materials. Such notice and statement shall be delivered at least twenty days in advance of the date fixed for removal and may be delivered before or after the expiration of the period specified under subsection (c) of this section. If the Government agency fails to check such materials, at or before the time of their removal by the war contractor, a certificate of the war contractor specifying the materials shown on such statement which were so removed, and filed with the Government agency concerned within thirty days after the date fixed for removal, shall constitute prima facie evidence against the United States as to the quantities and condition of the materials so removed, and the fact of their removal.

"(e) Notwithstanding any other provisions of law, but subject to subsection (h) of this section, the contracting agency concerned or the Director, or any Government agency designated by him, on behalf of the United States, may, by the exercise of any contract rights or otherwise, acquire and take possession of any termination inventory of any war contractor, and any materials removed by the Government or stored for its account under subsections (c) and (d) of this section, whether or not such materials are finally determined not to constitute termination inventory. With respect to any such materials, the Government shall be liable to any war contractor concerned only for their return to such war contractor or for their disposal value at the time of their removal or for the proceeds realized by the Government from their disposal, at the election of the Government agency concerned, unless the Government agency and the war contractor agree or have agreed on a different basis. Any amount so paid or payable to a war contractor for materials allocable to a terminated war contract shall be credited against the termination claim under such contract but shall not otherwise affect the amount due on the claim, unless the Government agency concerned and the war contractor agree or have agreed otherwise. Any materials to which the Director takes title under this section shall be delivered for disposal to any appropriate Government agency authorized to make such disposal.

"(f) No contracting agency shall postpone or delay any termination settlement beyond the period specified in subsection (c) of this section for the purpose of awaiting disposal by the war contractor or the Government of any termination inventory reported in accordance with subsection (b) of this section.

"(g) Whenever any war contractor no longer requires, for the performance of any war contract, any Government-owned machinery, tools, or equipment installed in his plant for the performance of one or more war contracts, the Government agency concerned, upon written demand by the war contractor, and within sixty days after such demand or such other period as may be prescribed under this Act, and upon such conditions as may be so prescribed, shall remove or provide for the removal of such machinery, tools, or

equipment from such plant, unless the Government agency concerned and the war contractor, by facilities contract or otherwise, have made or make other provision for the retention, storage, maintenance, or disposition of such machinery, tools, or equipment. The Government agency concerned may waive or release on behalf of the United States any obligation of the war contractor with respect to such machinery, tools, or equipment upon such terms and conditions as the agency deems appropriate. Upon the failure of the Government so to remove or provide for removal of any such machinery, tools, or equipment, the war contractor, subject to regulations prescribed under this Act, may remove all or part of such machinery, tools, or equipment from his plant and may store it on his own premises or elsewhere, for the account and at the risk and expense of the Government, using reasonable care for its transportation and preservation.

"(h) Nothing in this Act shall limit or affect the authority of the War Department, Navy Department, or Maritime Commission, respectively, to take over any termination inventories and to retain them for their use for any purpose or to dispose of such termination inventories for the purpose of war production, or to authorize any war contractor to retain or dispose of such termination inventories for the purpose of war production.

"(i) Nothing in this section shall be construed to prevent the removal and storage of any termination inventory by any war contractor, at his own risk, at any time after termination of any war contract to which it is allocable.

#### "APPEAL

"SEC. 13. (a) Whenever the contracting agency responsible for settling any termination claim has not settled the claim by agreement or has so settled only a part of the claim, (1) the contracting agency at any time may determine the amount due on such claim or such unsettled part, and prepare written findings indicating the basis of the determination, and deliver a copy of such findings to the war contractor, or (2) if the termination claim has been submitted in the manner and substantially the form prescribed under this Act, the contracting agency, upon written demand by the war contractor for such findings, shall determine the amount due on the claim or unsettled part and prepare and deliver such findings to the war contractor within ninety days after the receipt by the agency of such demand. In preparing such findings, the contracting agency may require the war contractor to furnish such information and to submit to such audits as may be reasonably necessary for that purpose. Within thirty days after the delivery of any such findings, the contracting agency shall pay to the war contractor at least 90 per centum of the amount thereby determined to be due, after deducting the amount of any outstanding interim financing applicable thereto.

"(b) Whenever any war contractor is aggrieved by the findings of a contracting agency on his claim or part thereof or by its failure to make such findings in accordance with subsection (a) of this section, he may, at his election—

"(1) appeal to the Appeal Board in accordance with subsection (d) of this section; or

"(2) bring suit against the United States for such claim or against part thereof, in the Court of Claims or in a United States district court, in accordance with subsection (20) of section 24 of the Judicial Code (28 U. S. C. 41 (20)), except that, if the contracting agency is the Reconstruction Finance Corporation, or any corporation organized pursuant to the Reconstruction Finance Corporation Act (47 Stat. 5), as amended, or any corporation owned or controlled by the United States, the suit shall be

brought against such corporation in any court of competent jurisdiction in accordance with existing law.

"(c) Any proceeding under subsection (b) of this section shall be governed by the following conditions:

"(1) When any contracting agency provides a procedure within the agency for protest against such findings or for other appeal therefrom by the war contractor, the war contractor, before proceeding under subsection (b) of this section, (i) in his discretion may resort to such procedure within the time specified in this contract or, if no time is specified, within thirty days after the delivery to him of the findings; and (ii) shall resort to such procedure for protest or other appeal to the extent required by the Director, but failure of the contracting agency to act on any such required protest or appeal within thirty days shall operate as a refusal by the agency to modify its findings. Any revision of the findings by the contracting agency, upon protest or appeal within the agency, shall be treated as the findings of the agency for the purpose of appeal or suit under subsection (b) of this section. Notwithstanding any contrary provision in any war contract, no war contractor shall be required to protest or appeal from such findings within the contracting agency except in accordance with this paragraph.

"(2) A war contractor may initiate proceedings in accordance with subsection (b) of this section (i) within ninety days after delivery to him of the findings by the contracting agency, or (ii) in case of protests or appeal within the agency, within ninety days after the determination of such protest or appeal, or (iii) in case of failure to deliver such findings, within one year after his demand therefor. If he does not initiate such proceedings within the time specified, he shall be precluded thereafter from initiating any proceedings in accordance with subsection (b) of this section, and the findings of the contracting agency shall be final and conclusive, or if no findings were made, he shall be deemed to have waived such termination claim.

"(3) Notwithstanding any contrary provision in any war contract, the Appeal Board or court shall not be bound by the findings of the contracting agency, but shall treat such findings as prima facie correct, and the burden shall be on the war contractor to establish that the amount due on his claim or part thereof exceeds the amount allowed by the findings of the contracting agency. Whenever the Appeal Board or court finds that the war contractor failed to negotiate in good faith with the contracting agency for the settlement of his claim or part thereof before appeal or suit thereon, or failed to furnish to the agency any information reasonably requested by it regarding his termination claim or part thereof, or failed to prosecute diligently any protest or appeal required to be taken under subsection (c) (1) (ii) of this section, the Appeal Board or court (i) may refuse to receive in evidence any information not submitted to the contracting agency; (ii) may deny interest on the claim or part thereof for such period as it deems proper; or (iii) may remand the case to the contracting agency for further proceedings upon such terms as the Appeal Board or court may prescribe. Unless the case is remanded, the Appeal Board or court shall enter the appropriate award or judgment on the basis of the law and facts, and may increase or decrease the amount allowed by the findings of the contracting agency.

"(4) Any such proceedings shall not affect the authority of the contracting agency concerned to make a settlement of the termination claim, or any part thereof, by agreement with the war contractor at any time before such proceedings are concluded.

"(d) (1) The Director shall appoint an Appeal Board, composed of such number of members as he deems necessary from time to time to hear appeals under this section. The members of the Appeal Board shall be qualified and experienced attorneys, engineers, accountants, or persons possessing sufficient business experience or professional skill. He shall, without regard to the provisions of the civil-service laws and the Classification Act of 1923, appoint and fix the compensation and term of office of the members of the Appeal Board: *Provided*, That no member shall receive compensation at a rate in excess of \$10,000 per annum nor be appointed for a term longer than two years.

"(2) Panels of one or more members may act for the Appeal Board and shall sit from time to time in localities throughout the country, reasonably convenient for war contractors having proceedings before them. A panel of one member of the Appeal Board may hear any appeal whenever (i) the amount in controversy in the appeal is \$25,000 or less; or (ii) the amount in controversy exceeds \$25,000, but the war contractor taking the appeal fails to demand a panel of three members at the time of filing his appeal. If the war contractor is aggrieved by the decision of the Appeal Board or panel (other than an order remanding the case to the contracting agency under subsection (c) (3) (iii) of this section), then within ninety days after such decision he may bring suit on the claim or unsettled part thereof in accordance with subsection (b) (2) of this section. Such suit shall proceed as if no appeal had been taken under subsection (b) of this section. All costs of such suit shall be borne by the war contractor unless the court awards such contractor an amount in excess of that allowed by the Appeal Board or panel. Upon failure of the war contractor so to sue within such period, the decision of the Appeal Board or panel shall be final and conclusive.

"(3) The Director or, if authorized by him, the Appeal Board shall prescribe the practice and procedure to govern proceedings for the Appeal Board. The Appeal Board or any panel thereof shall have power to administer oaths to witnesses and to compel by subpoena the attendance of witnesses, and the production of books, papers, documents, and other records. All provisions of law (including penalties and provisions relating to self-incrimination) applicable with respect to subpoenas issued under the Federal Trade Commission Act shall be applicable with respect to subpoenas issued by the Appeal Board insofar as such provisions are not inconsistent with the provisions of this Act.

"(e) The contracting agency responsible for settling any claim and the war contractor asserting the claim, by agreement, may submit all or any part of the termination claim to arbitration, without regard to the amount in dispute. Such arbitration proceedings shall be governed by the provisions of the United States Arbitration Act to the same extent as if authorized by an effective agreement in writing between the Government and the war contractor. Any such arbitration award shall be final and conclusive upon the United States to the same extent as a settlement under subsection (c) of section 6, but shall not be subject to approval by any settlement review board.

"(f) Whenever any dispute exists between any war contractor and a subcontractor regarding any termination claim, either of them, by agreement with the other, may submit the dispute—

"(1) to the Appeal Board in accordance with subsection (d) of this section;

"(2) to a contracting agency for mediation or arbitration whenever authorized by the agency or required by the Director.

"Any award or decision in such proceedings shall be final and conclusive as to the

parties so submitting any such dispute and shall not be questioned by the United States in settling any related claim, in the absence of fraud or collusion.

#### "COURT OF CLAIMS

"Sec. 14. (a) For the purpose of expediting the adjudication of termination claims, the Court of Claims is authorized to appoint not more than ten auditors and not more than twenty commissioners in addition to those provided for by the Act of February 24, 1925 (ch. 301, 43 Stat. 964), as amended by the Act of June 23, 1930 (ch. 573, 46 Stat. 799), and the provisions of said Act shall apply to such additional commissioners in all respects as if they had been appointed thereunder without limitation as to nature of duties which they may be called upon to perform.

"(b) The Court of Claims, on motion of either of the parties, or on its own motion, may summon any and all persons with legal capacity to be sued to appear as a party or parties in any suit or proceeding of any nature whatsoever pending in said court to assert and defend their interests, if any, in such suits or proceedings, within such period of time prior to judgment as the Court of Claims shall prescribe. If the name and address of any such person is known or can be ascertained by reasonable diligence, and if he resides within the jurisdiction of the United States, he shall be summoned to appear by personal service; but if any such person resides outside of the jurisdiction of the United States, or is unknown, or if for any other good and sufficient reason appearing to the court personal service cannot be had, he may be summoned by publication, under such rules as the court may adopt, together with a copy of the summons mailed by registered mail to such person's last known address. The Court of Claims may, upon motion of the Attorney General, in any suit or proceeding where there may be any number of persons having possible interests therein, notify such persons to appear to assert and defend such interests. Upon failure so to appear, any and all claims or interests in claims of any such person against the United States, in respect of the subject matter of such suit or proceeding, shall forever be barred and the court shall have jurisdiction to enter judgment pro confesso upon any claim or contingent claim asserted on behalf of the United States against any person who, having been duly served with summons, fails to respond thereto, to the same extent and with like effect as if such person had appeared and had admitted the truth of all allegations made on behalf of the United States. Upon appearance by any person pursuant to any such summons or notice, the case as to such person shall, for all purposes, be treated as if an independent proceeding had been instituted by such person pursuant to section 145 of the Judicial Code, as amended, and as if such independent proceeding had then been consolidated, for purposes of trial and determination, with the case in respect of which the summons or notice was issued, except that the United States shall not be heard upon any counterclaims, claims for damages or other demands whatsoever against such person, other than claims and contingent claims for the recovery of money hereafter paid by the United States in respect of the transaction or matter which constitutes the subject matter of such case, unless and until such person shall assert therein a claim, or an interest in a claim, against the United States, and the Court of Claims shall have jurisdiction to adjudicate, as between any and all adverse claimants, their respective several interests in any matter in suit and to award several judgments in accordance therewith.

"(c) The jurisdiction of the Court of Claims shall not be affected by this Act except to the extent necessary to give effect to this Act, and no person shall recover judg-



ment on any claim, or on any interest in any claim, in said court which such person would not have had a right to assert in said court if this section had not been enacted.

#### "PERSONAL FINANCIAL LIABILITY

"SEC. 15. (a) Whenever any payment is made from Government funds to any war contractor or other person as an advance, partial or final payment on any termination claim, or pursuant to any loan, guaranty, or agreement for the purchase of any loan, or any commitment in connection therewith, entered into by the Government, no officer or other Government agent authorizing or approving such payment or settlement, or certifying the voucher for such payment, or making the payment in accordance with a duly certified voucher, shall be personally liable for such payment, in the absence of fraud on his part. In settling the accounts of any disbursing officer the General Accounting Office shall allow any such disbursements made by him notwithstanding any other provisions of law.

"(b) For the purpose of making termination settlements or interim financing any Government agency is authorized to rely upon such certificates of war contractors as it deems proper and to permit war contractors and other persons to rely upon such certificates without financial liability in the absence of fraud on their part.

#### "THE GENERAL ACCOUNTING OFFICE

"SEC. 16. (a) Any other provision of law notwithstanding, the function of the General Accounting Office with respect to any termination settlement made, authorized, ratified, or approved by a contracting agency shall be confined to determining, after final settlement, (1) whether the settlement payments to the war contractor were made in accordance with the settlement, and (2) whether the records transmitted to it, or other information, warrant a reasonable belief that the settlement was induced by fraud. For this purpose the General Accounting Office shall have the authority to examine any records maintained by any contracting agency or by any war contractor relating to any termination settlement.

"(b) Whenever the Comptroller General is convinced that any settlement was induced by fraud, he shall so certify, together with all the facts relating thereto, to the Department of Justice, to the Director, and to the contracting agency concerned. Upon receipt of such certificate (1) the Department of Justice shall make an investigation to determine whether such settlement was induced by fraud, and (2) until the Department of Justice notifies the contracting agency that in its opinion the facts do not support the belief that the settlement was induced by fraud, the contracting agency, by set-off or otherwise, may withhold, from amounts owing to the war contractor by the United States under such settlement or otherwise, the amount of the settlement, or the portion thereof, which, in the opinion of the Comptroller General as stated in his certificate, was affected by the fraud. In any such case the Department of Justice shall take such action as it deems appropriate to recover payments made to such war contractor. The General Accounting Office shall not suspend credit to any disbursing officer on any disbursements made by him under such settlement in the absence of fraud on his part.

"(c) The Comptroller General may investigate the settlements completed by each contracting agency for the purpose of reporting to the Congress from time to time on—

"(1) whether the settlement methods and procedures employed by such agency are of a kind and type designed to result in expeditious and fair settlements in accordance with and subject to the provisions of this

Act and the orders and regulations of the Director;

"(2) whether such methods and procedures are followed by such agency with care and efficiency; and

"(3) whether such methods and procedures adequately protect the interest of the Government.

"If in any such report the Comptroller General shall find that the settlement methods and procedures fail to meet the foregoing standards, he shall make suggestions and recommendations to such agency for the improvement of such methods and procedures and to the Congress for any additional legislation needed to carry out the policies of this Act. At least thirty days before filing any such report with the Congress, the Comptroller General shall deliver a copy thereof to the agency concerned and the Director, and shall forward to the Congress together with such report any comments of such agency with respect thereto.

"(d) The jurisdiction of the Comptroller General of the United States shall not be affected by this Act except to the extent necessary to give effect to the specific provisions thereof.

#### "DEFECTIVE, INFORMAL, AND QUASI CONTRACTS

"SEC. 17. (a) Where any person has arranged to furnish or furnished to a contracting agency or to a war contractor any materials, services, or facilities related to the prosecution of the war, without a formal contract, relying in good faith upon the apparent authority of an officer or agent of a contracting agency, written or oral instructions, or any other request to proceed from a contracting agency, the contracting agency shall pay such person fair compensation therefor.

"(b) Whenever any formal or technical defect or omission in any prime contract, or in any grant of authority to an officer or agent of a contracting agency who ordered any materials, services, and facilities might invalidate the contract or commitment, the contracting agency (1) shall not take advantage of such defect or omission; (2) shall amend, confirm, or ratify such contract or commitment without consideration in order to cure such defect or omission; and (3) shall make a fair settlement of any obligation thereby created or incurred by such agency, whether expressed or implied, in fact or in law, or in the nature of an implied or quasi contract.

"(c) Where a contracting agency fails to settle by agreement any claim asserted under this section, the dispute shall be subject to the provisions of section 13 of this Act.

"(d) The Director shall require each contracting agency to formalize all such obligations and commitments within such period as the Director deems appropriate.

#### "RECORDS, FORMS, AND REPORTS

"SEC. 18. (a) The Director shall establish policies for such supervision and review within the contracting agencies of termination settlements and interim financing as he deems necessary and appropriate to prevent and detect fraud and to assure uniformity in administration and to provide for expeditious settlements. For this purpose he shall prescribe (1) such records to be prepared by the contracting agencies and by war contractors as he deems necessary in connection with such settlements and interim financing; and (2) the records in connection therewith to be transmitted to the General Accounting Office. He shall seek to reduce the amount of record keeping, reporting, and accounting in connection with the settlement of termination claims and interim financing to the minimum compatible with the reasonable protection of the public interest. Each contracting agency shall prescribe forms for use by war contractors in connection with termination settlements and interim financing to the extent it deems necessary and feasible.

"(b) The Director shall require the Government agencies performing functions under this Act to prepare such information and reports regarding terminations of war contracts, settlements of termination claims, and interim financing, as he deems necessary to assist him in appraising their operations or to assist him or other Government agencies in performing their functions under this Act, and may prescribe the terms and conditions upon which such information and reports shall be made available to other Government agencies. The Director may require any Government agency to furnish such information under its control as he deems necessary for the performance of his functions under this Act, but any such agency, in its discretion, may furnish any such information deemed by it to affect the national security only to the Director himself.

"(c) The Director, by regulation, shall provide for making available to any interested Government agency such advance notice and other information on cut-backs in war production resulting from terminations or failures to renew or extend war contracts, as he deems necessary and appropriate.

"(d) The Director shall make such investigations as he deems necessary or desirable in connection with termination settlements and interim financing. For this purpose he may utilize the facilities of any existing agencies and if he determines that the facilities of existing agencies are inadequate, he may establish a unit in the Office of Contract Settlement to supplement and facilitate the work of existing agencies. He shall report to the Department of Justice any information received by him indicating any fraudulent practices, for appropriate action.

"(e) Whenever any contracting agency or the Director believes that any settlement was induced by fraud, the agency or Director shall report the facts to the Department of Justice. Thereupon, (1) the Department of Justice shall make an investigation to determine whether such settlement was induced by fraud, and (2) until the Department of Justice notifies the contracting agency that in its opinion the facts do not support the belief that the settlement was induced by fraud, the contracting agency, by set-off or otherwise, may withhold, from amounts owing to the war contractor by the United States under such settlement or otherwise, the amount of the settlement, or the portion thereof, which, in its opinion, was affected by the fraud. In any such case the Department of Justice shall take such action as it deems appropriate to recover payments made to such war contractor.

#### "PRESERVATION OF RECORDS; PROSECUTION OF FRAUD

"SEC. 19. (a) It shall be unlawful for any person willfully to secrete, mutilate, obliterate, or destroy, or cause to be secreted, mutilated, obliterated, or destroyed—

"(1) any records of a war contractor relating to the negotiation, award, performance, payment, interim financing, cancellation or other termination, or settlement of a war contract of \$25,000 or more; or

"(2) any records of a war contractor and any purchaser relating to any disposition of termination inventory in which the consideration received by any war contractor or any Government agency is \$5,000 or more, until (1) five years after such disposition of termination inventory by such war contractor or Government agency, or (2) five years after the final settlement of such war contract, or (3) five years after the termination of hostilities in the present war as proclaimed by the President or by a concurrent resolution of the two Houses of Congress, whichever applicable period is longer.

"As used in this subsection, the term 'records' includes, but is not limited to, books, ledgers, checks and check stubs, pay-roll data,

vouchers, memoranda, correspondence, inspection reports and certificates. Any corporation violating any provision of this subsection shall be fined not more than \$50,000 and any natural person violating any provision of this subsection shall be fined not more than \$10,000, or imprisoned for not more than five years, or both: *Provided, however*, That the Director, by regulation, may authorize the destruction of such records upon such terms and conditions as he deems appropriate, which may include the making and retaining of photographs or microphotographs. Photographs or microphotographs of any records made in compliance with such regulations of the Director shall have the same force and effect as the originals thereof would have and shall be treated as originals for the purpose of admissibility in evidence.

"(b) The first section of the Act of August 24, 1942 (56 Stat. 747; title 18, U. S. C., Supp. II, sec. 590a), is amended to read as follows:

"The running of any existing statute of limitations applicable to any offense against the laws of the United States (1) involving defrauding or attempts to defraud the United States or any agency thereof whether by conspiracy or not, and in any manner, or (2) committed in connection with the negotiation, procurement, award, performance, payment for, interim financing, cancellation or other termination or settlement, of any contract, subcontract, or purchase order which is connected with or related to the prosecution of the present war, or with any disposition of termination inventory by any war contractor or Government agency, shall be suspended until three years after the termination of hostilities in the present war as proclaimed by the President or by a concurrent resolution of the two Houses of Congress. This section shall apply to acts, offenses, or transactions where the existing statute of limitations has not yet fully run, but it shall not apply to acts, offenses, or transactions which are already barred by provisions of existing law."

"(c) (1) Every person who makes or causes to be made, or presents or causes to be presented to any officer, agent, or employee of any Government agency any claim, bill, receipt, voucher, statement, account, certificate, affidavit, or deposition, knowing the same to be false, fraudulent, or fictitious or knowing the same to contain or to be based on any false, fraudulent, or fictitious statement or entry, or who shall cover up or conceal any material fact, or who shall use or engage in any other fraudulent trick, scheme, or device, for the purpose of securing or obtaining, or aiding to secure or obtain, for any person any benefit, payment, compensation, allowance, loan, advance, or emolument from the United States or any Government agency in connection with the termination, cancellation, settlement, payment, negotiation, renegotiation, performance, procurement, or award of a contract with the United States or with any other person, and every person who enters into an agreement, combination, or conspiracy so to do, (1) shall pay to the United States an amount equal to 25 per centum of any amount thereby sought to be wrongfully secured or obtained but not actually received, and (2) shall forfeit and refund any such benefit, payment, compensation, allowance, loan, advance, and emolument received as a result thereof and (3) shall in addition pay to the United States the sum of \$2,000 for each such act, and double the amount of any damage which the United States may have sustained by reason thereof, together with the costs of suit.

"(2) The several district courts of the United States, the District of Columbia, the several district courts of the Territories of the United States, within whose jurisdictional limits the person, or persons, doing or committing such act, or any one of them, resides

or shall be found, shall, whosoever such act may have been done or committed, have full power and jurisdiction to hear, try, and determine such suit, and such person or persons as are not inhabitants of or found within the district in which suit is brought may be brought in by order of the court to be served personally or by publication or in such other reasonable manner as the court may direct.

"(d) The provisions of section 35-A of the Criminal Code (18 U. S. C., sec. 80) shall apply to any statement, representation, bill, receipt, voucher, roll, account, claim, certificate, affidavit, or deposition made or used or caused to be made or used for any purpose under this Act or under any regulations pursuant to this Act.

"(e) It shall be unlawful for any person employed in any Government agency, including commissioned officers assigned to duty in such agency, during the period such person is engaged in such employment or service, to prosecute, or to act as counsel, attorney, or agent for prosecuting, any claim against the United States, or for any such person within two years after the time when such employment or service has ceased, to prosecute, or to act as counsel, attorney, or agent for prosecuting, any claim against the United States involving any subject matter directly connected with which such person was so employed or performed duty. Any person violating any provision of this subsection shall be fined not more than \$10,000 or imprisoned for not more than one year, or both.

#### "GENERAL PROVISIONS

"Sec. 20. (a) Each contracting agency shall have authority, notwithstanding any provisions of law other than contained in this Act, (1) to make any contract necessary and appropriate to carry out the provisions of this Act; (2) to amend by agreement any existing contract, either before or after notice of its termination, on such terms and to such extent as it deems necessary and appropriate to carry out the provisions of this Act; and (3) in settling any termination claim, to agree to assume, or indemnify the war contractor against, any claims by any person in connection with such termination claims or settlement. This subsection shall not limit or affect in any way any authority of any contracting agency under the First War Powers Act, 1941, or under any other statute.

"(b) Any contracting agency may prescribe the amount and kind of evidence required to identify any person as a war contractor, or any contract, agreement, or purchase order as a war contract for any of the purposes of this Act. Any determination so made that any person is a war contractor, or that any contract, agreement, or purchase order is a war contract, shall be final and conclusive for any of the purposes of this Act.

"(c) There are hereby authorized to be appropriated such sums as may be necessary for administering the provisions of this Act.

"(d) All policies and procedures relating to termination of war contracts, termination settlements, and interim financing, prescribed by the Director of War Mobilization or any contracting agency, in effect upon the effective date of this Act, and not inconsistent with this Act, shall remain in full force and effect unless and until superseded by the Director in accordance with this Act, or by regulations of the contracting agency not inconsistent with this Act or the policies prescribed by the Director.

"(e) Nothing in this Act shall be deemed to impair or modify any war contract or any term or provision of any war contract or any assignment of any claim under a war contract, without the consent of the parties thereto, if the war contract, or the term,

provision, or assignment thereof, is otherwise valid.

"(f) Any contracting agency may authorize or direct its officers and employees, as a part of their official duties, to advise, aid, and assist war contractors in preparing and presenting termination claims, in obtaining interim financing, and in related matters, to such extent as it deems desirable. Such advice, aid, or assistance shall not constitute a violation of section 109 of the Criminal Code (18 U. S. C. 198) or of any other law, provided the officer or employee does not receive therefor benefit or compensation of any kind, directly or indirectly, from any war contractor.

"(g) The Smaller War Plants Corporation is hereby directed—

"(1) to disseminate information among small business concerns with respect to interim financing, termination settlements, removal and storage of termination inventories pursuant to the provisions of this Act and the regulations of the Director; and

"(2) to assist small business concerns in connection with the securing of interim financing and the preparation of applications for such interim financing, the effecting of termination settlements, and the removal and storage of termination inventories, and to make interim loans and guaranties, in order to assure that small business concerns receive fair and equitable treatment from prime contractors and intermediate subcontractors in connection with the termination of war contracts.

#### "OTHER FUNCTIONS OF THE DIRECTOR

"Sec. 21. In addition to his other functions under this Act, the Director shall—

"(a) promote the training of personnel for termination settlement and interim financing by contracting agencies, war contractors, and financing institutions;

"(b) collaborate with the Smaller War Plants Corporation in protecting the interests of smaller war contractors in obtaining fair and expeditious termination settlements and interim financing;

"(c) promote decentralization of the administration of termination settlements and interim financing by fostering delegation of authority within contracting agencies and to war contractors, to the extent he deems necessary and feasible; and

"(d) consult with war contractors through advisory committees or such other methods as he deems appropriate.

#### "USE OF APPROPRIATED FUNDS

"Sec. 22. Any contracting agency is authorized—

"(a) to use for interim financing, the payment of claims, and for any other purposes authorized in this Act any funds which have heretofore been appropriated or allocated or which may hereafter be appropriated or allocated to it, or which are or may become available to it, for such purposes or for the purposes of war production or war procurement;

"(b) to use any such funds appropriated, allocated, or available to it for expenditures for or in behalf of any other contracting agency for the purposes authorized in this Act; and

"(c) to determine by agreement, joint estimate, or any other method authorized by the Director, the part of any expenditure made pursuant to subsection (b) hereof to be paid by each contracting agency concerned and to make transfers of funds between such contracting agencies accordingly. Transfers of funds between appropriations carried upon the books of the Treasury shall be made by the Secretary of the Treasury in accordance with joint requests of the contracting agencies involved.



## "DELEGATION OF AUTHORITY"

"SEC. 23. (a) The Director may delegate any authority and discretion conferred upon him by this Act to any Deputy Director, and may delegate such authority and discretion, upon such terms and conditions as he may prescribe, to the head of any Government agency to the extent necessary to the handling and solution of problems peculiar to that agency.

"(b) The head of any Government agency may exercise jointly any authority and discretion conferred upon him or his agency by or pursuant to this Act to any officer, agent, or employee of such agency or to any other Government agency, and may authorize successive redelegations of such authority and discretion.

"(c) Any two or more Government agencies may exercise jointly any authority and discretion conferred upon each of them individually by or pursuant to this Act.

"(d) Nothing in this Act shall prevent the Director from exercising any authority conferred upon him by any other statute.

## "APPLICABILITY"

"SEC. 24. (a) This Act shall become effective twenty days after the date of its enactment. With the exception of the provisions of paragraphs (b), (c), (d), and (e) of section 12, and of sections 6, 7, 8, 9, 10, and 13, this Act shall be applicable in the case of any terminated war contract which has been finally settled at or before the effective date of this Act.

"(b) Nothing in this Act shall limit or affect any authority conferred by the Act of March 11, 1941 (55 Stat. 31), as amended, or Acts supplemental thereto.

"SEC. 25. Subject to policies prescribed by the Director, any contracting agency may exempt from some or all of the provisions of this Act (a) any war contract made or to be performed outside the continental limits of the United States or in Alaska, or (b) any termination inventory situated outside of the continental limits of the United States or in Alaska, or (c) any modification of a war contract pursuant to its terms for the purpose of changing plans or specifications applicable to the work without substantially reducing its extent.

## "SEPARABILITY OF PROVISIONS"

"SEC. 26. If any provision of this Act, or the application of such provision to any person or circumstance, is held invalid, the remainder of this Act or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

## "SHORT TITLE"

"SEC. 27. This Act may be cited as the 'Contract Settlement Act of 1944'."

And the House agree to the same.

JAMES E. MURRAY,  
EDWIN C. JOHNSON,  
MON C. WALLGREN,  
CHAN GURNEY,  
CHAPMAN REVERCOMB,

*Managers on the part of the Senate.*

HATTON W. SUMNERS,  
FRANCIS E. WALTER,  
ESTES KEFAUVER,  
CLARENCE E. HANCOCK,  
JOHN W. GWYNNE,

*Managers on the part of the House.*

The report was agreed to.

## RECESS

Mr. BARKLEY. Mr. President, if there is no further business to be transacted at this time, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 5 minutes p. m.) the Senate took a recess until tomorrow, Thursday, June 22, 1944, at 12 o'clock meridian.

## NOMINATION

Executive nomination received by the Senate June 21 (legislative day of May 9), 1944:

## DEPARTMENT OF LABOR

Frieda S. Miller, of New York, to be Director of the Women's Bureau, United States Department of Labor.

## CONFIRMATIONS

Executive nominations confirmed by the Senate June 21 (legislative day of May 9), 1944:

## DEPARTMENT OF THE NAVY

Ralph A. Bard to be Under Secretary of the Navy.

## FARM CREDIT ADMINISTRATION

Ivy W. Duggan to be Governor of the Farm Credit Administration for the unexpired term of 6 years from June 15, 1940.

## NATIONAL MEDIATION BOARD

Frank P. Douglass to be a member of the National Mediation Board for the remainder of the term expiring February 1, 1946.

## PROMOTIONS IN THE REGULAR ARMY

## To be colonels

Edward James Dwan, Cavalry.  
John Ross Mendenhall, Infantry.  
Norman Randolph, Infantry.  
George Edward Stratemeyer, Air Corps.  
Eustis Lloyd Hubbard, Cavalry.  
Frederic William Boye, Cavalry.  
Leroy Hugh Watson, Infantry.  
Arthur Arnim White, Field Artillery.  
John Kelliher, Field Artillery.  
Thomas Fenton Taylor, Infantry.  
Marshall Henry Quisenberry, Infantry.  
Richard Wilmer Cooksey, Cavalry.

## To be first lieutenants

William Allen Daniel, Air Corps.  
Robert Gabel Emmens, Air Corps.  
Franklin H. MacNaughton, Air Corps.  
William John Kennedy, Air Corps.  
John Bailey Henry, Jr., Air Corps.  
Harry MacCulloch Pike, Air Corps.  
Kenneth Walter Northamer, Air Corps.  
Jack Gillespie Milne, Air Corps.  
Luther Henry Richmond, Air Corps.  
William Frank Savole, Air Corps.  
Carver Thaxton Bussey, Air Corps.  
Glenn Smith Finley, Jr., Cavalry.  
Philip Wendell Constance, Ordnance Department.

Lindsey Hartford Vereen, Air Corps.  
Charles David Sonnkab, Air Corps.  
Carl Erwin Drewes, Ordnance Department.  
James Wyatt Newsome, Air Corps.  
James Raymond Lyons, Air Corps.  
Harry Hunt Towler, Jr., Air Corps.  
Nathan Bourne Hays, Air Corps.  
Russell Keith Brock, Air Corps.  
James William Guthrie, Air Corps.  
Quinter Paul Gerhart, Air Corps.  
Robert Wiygul Burns, Air Corps.  
James Collins Bagg, Quartermaster Corps.  
James Willard Guest, Field Artillery.  
Harold Broudy, Coast Artillery Corps.  
Arnold Beverly Addlestone, Ordnance Department.

Joseph Lowery Amell, Jr., Field Artillery.  
Allan Gardner Pixton, Field Artillery.  
Joseph Ruane McGuire, Field Artillery.  
Henry John Amen, Air Corps.  
William Elmer Zins, Air Corps.  
Grover Cleveland Brown, Air Corps.  
Albert James Moye, Air Corps.

Harry James Sands, Jr., Air Corps.  
David Warren Hassemer, Air Corps.  
Robert Brown Coen, Air Corps.  
Ralph Leslie Michaelis, Air Corps.  
Arthur Clarke Perry, Air Corps.  
Frank Leslie Nims, Air Corps.  
Robert Haynes McCutcheon, Air Corps.  
Charles McDonald Parkin, Jr., Corps of Engineers.

Keith Philip Fabianich, Infantry.  
Herman Richard Schell, Infantry.  
Alexis Michael Gagarine, Infantry.  
Harland Glen Wood, Coast Artillery Corps.  
John Carl Sparrow, Quartermaster Corps.  
Arthur McMurrough Murphy, Infantry.  
Donald Heck, Signal Corps.  
Albin Felix Irzyk, Cavalry.  
Richard James Darnell, Infantry.  
Lewis Warner Fogg 3d, Corps of Engineers.  
Gordon Lowell Chambers Scott, Corps of Engineers.

Ray C. Conner, Ordnance Department.  
Peter Leon Urban, Coast Artillery Corps.  
James Erwin Crosby, Jr., Air Corps.  
Robert Eldon Phelps, Infantry.  
Morris Cowan Stout, Field Artillery.  
James Moore Boyd, Air Corps.  
Douglas Hugh Sullivan, Field Artillery.  
Glen Carl Long, Infantry.  
Alvin Ethelbert Cowan, Infantry.  
Fred Allan Pierce, Jr., Infantry.  
Jeff William Boucher, Corps of Engineers.  
Gerald Elbert Gowell, Cavalry.  
James Miller Hustead 2d, Field Artillery.  
Zebulon LaFayette Strickland, Jr., Coast Artillery Corps.

Leonard Shirley Wilhelm, Infantry.  
Jean Albert Jack, Air Corps.  
Wilburt James Irwin, Field Artillery.  
Robert Arnold Martin, Cavalry.  
Thomas John Sharpe, Field Artillery.  
Joe Vandiver Langston, Infantry.  
Reuben Eugene Wheelis, Quartermaster Corps.  
John Herbert Savage, Ordnance Department.

Frederick John Wells, Corps of Engineers.  
Karekin Gaspar Arabian, Chemical Warfare Service.

Rawlins Murrell Colquitt, Jr., Coast Artillery Corps.

Charles Edward Tenneson, Jr., Field Artillery.

Lloyd LeRoy Hanes, Infantry.  
Jules Maurice DuParc, Coast Artillery Corps.

William Bernard Pohlman, Jr., Coast Artillery Corps.

Leon Francis Kosmacki, Field Artillery.  
Benjamin Alan Swartz, Field Artillery.

George Alexander Clayton, Infantry.  
Robert Alroy Olson, Air Corps.

Richard Boyd Bullock, Infantry.  
John William Paxton, Corps of Engineers.

Warren Earl Walters, Infantry.  
Rudolph Kermit Brunsfold, Infantry.

James William Sutherland, Jr., Infantry.  
John Arthur Benner, Coast Artillery Corps.

Edwin Herbert Garrison, Air Corps.  
John William O'Neill, Air Corps.

William Franklin LaHatte, Coast Artillery Corps.

Harry Kelly Thomson, Field Artillery.  
William Donald Ward, Coast Artillery Corps.

George Ira Taylor, Field Artillery.  
Harry Vaughn Beck, Infantry.

Robert Clare Foulston, Jr., Infantry.  
Chester Henry Bigger, Field Artillery.

James Victor Sanden, Field Artillery.  
John Wesley Simmons, Infantry.

James Lester Ballard, Jr., Infantry.  
Laurence Arthur Madill, Infantry.

Donald Henry Janz, Coast Artillery Corps.  
Frank Selden Holcombe, Infantry.

Burt Lunney Mitchell, Jr., Infantry.  
William Fredrick Cathrae, Field Artillery.

Floyd Allison Soule, Infantry.

James Francis McCarthy, Jr., Air Corps.  
 Henry Van Middleworth, Infantry.  
 James Penquite Mulcahy, Field Artillery.  
 Elmer Hugo Almquist, Jr., Field Artillery.  
 John Logan Schutz, Infantry.  
 William Marks Hutson, Coast Artillery Corps.  
 Owen Beall Knight, Field Artillery.  
 Henry Price Tucker, Infantry.  
 Hugh Woodrow Benson, Coast Artillery Corps.  
 Wilson Freeman, Field Artillery.  
 William Neville Sloan, Jr., Quartermaster Corps.  
 Andrew Peach Rollins, Jr., Corps of Engineers.  
 Max George Hensel, Infantry.  
 Gordon B. Cauble, Signal Corps.  
 John Farley Splain, Coast Artillery Corps.  
 Arthur Wendell Gunn, Field Artillery.  
 Chester Elwood Kennedy, Cavalry.  
 William E. Feeman, Corps of Engineers.  
 James William Haley, Infantry.  
 Eugene Philip Palmer, Coast Artillery Corps.  
 Robert Charles Barthle, Signal Corps.  
 Joseph Theodore McQuaide, Corps of Engineers.  
 Bernard Paul Haley, Infantry.  
 Arthur John Howland, Field Artillery.  
 Burton Bryant Chandler, Cavalry.  
 Edward Bernard Jennings, Corps of Engineers.  
 Otho Eugene Holmes, Infantry.  
 Robert Usher Gaines, Jr., Air Corps.  
 Francis Loring Douglass, Infantry.  
 Leo Bond Jones, Field Artillery.  
 Maxie Thurmond, Cavalry.  
 Byron Mark Kirkpatrick, Corps of Engineers.  
 Louis Edward Aull, Field Artillery.  
 Charles Edward Mosse, Air Corps.  
 Albro Lefles Parsons, Jr., Corps of Engineers.  
 Ernest Samusson, Jr., Infantry.  
 William Barker Wootton, Jr., Infantry.  
 William Robertson Desobry, Infantry.  
 James Turner Skipworth, Infantry.  
 Hubert Walter Gillespie, Jr., Field Artillery.  
 Edmund Louis DuBois, Coast Artillery Corps.  
 Harold Ralph Rock, Infantry.  
 William Albert Becker, Field Artillery.  
 Edward August Huwaldt, Field Artillery.  
 Charles Frederick Ostner, Field Artillery.  
 Richard Johnson Binnicker, Jr., Field Artillery.  
 Toma David Harris, Jr., Cavalry.  
 Eugene Francis Lawrence, Coast Artillery Corps.  
 Robert Blaine Wells, Infantry.  
 Daniel Seward LaShelle, Infantry.  
 George Lindsay Disharoon, Jr., Infantry.  
 George Eugene Bostwick, Air Corps.  
 Quentin Roosevelt, Field Artillery.  
 John Michener Wilson, Infantry.  
 John Taylor Newman, Signal Corps.  
 Bliss Leon Mehr, Air Corps.  
 Thomas Eugene Watson, Jr., Chemical Warfare Service.  
 Donald Dean Dunlop, Infantry.  
 Joseph Gorrell Kearfott Miller, Field Artillery.  
 Joseph Douglas Mitchell, Infantry.  
 Charles Warren Adcock, Coast Artillery Corps.  
 Ernest Lee Wehner, Field Artillery.  
 Joseph Theodore Materl, Coast Artillery Corps.  
 William Victor Downer, Jr., Coast Artillery Corps.  
 William Warren Neely, Coast Artillery Corps.  
 Thomas Bennett Mechling, Coast Artillery Corps.

## MEDICAL CORPS

*To be colonels*

Leland Elder Dashiell  
 George William Reyner  
 Oscar Thweatt Kirksey

Byron Johnson Peters  
 Joseph Rogers Darnall  
 Leland Oliver Walter Moore  
 Henry William Meisch

*To be lieutenant colonel*

Berna Thomas Bowers

*To be majors*

Frank Anthony Minas  
 Henry Scholdt Murphey  
 Carl Robert Darnall  
 George Merle Powell  
 Charles Henry Morhouse  
 John Lemoin Crawford  
 Claude Cordray Dodson

*To be captains*

James Lee Royals  
 Robert Hicks Holmes  
 William Henry Anderson  
 Robert Patrick Campbell  
 Walter Cecil Twineham  
 William Holmes Crosby, Jr.  
 Edward Kernaghan Mills  
 John Charles Benson, Jr.  
 Milton Omar Beebe, Jr.  
 Edward Lloyd Seretan  
 Winston Clarkson Hainsworth  
 John Joseph Maloney  
 Frederic John Hughes, Jr.  
 Charles Bullard Hooker  
 Wilson Gordon Brown  
 Abraham Chartock  
 Andrew Carroll Offutt  
 William Morrow Webb  
 Jess Franklin Gamble  
 James Archer Orbison  
 Dan Crozier  
 Adolph David Casciano  
 Julian Marlow Sether  
 William Gregory Thalmann, Jr.  
 William John Brown  
 Edward Henry Vogel, Jr.  
 Courtland Stillings Jones, Jr.  
 James Park Dewar, Jr.  
 LeRoy Otten Travis  
 Edward Jenner Whiteley  
 Welland Angel Hause  
 Harold Mendez Jesurun

## DENTAL CORPS

*To be colonels*

John Samuel Ross  
 Elmer Henry Nicklies.

*To be major*

John Kenneth Sitzman

*To be captains*

Victor Clifford Tisdal, Jr.  
 Edwin Howell Smith, Jr.  
 Julius Calvin Sexson  
 Frank Archer Mitchell  
 Joseph Robert Gibson  
 Richard James Farrell  
 Albert Rhoades Buckelew  
 George Nicholas Schulte  
 Norbert Corbin Kephart  
 Russell Henry Augsburg

## VETERINARY CORPS

*To be colonel*

Harry Lawrence Watson

## PHARMACY CORPS

*To be first lieutenant*

Charles Joseph Mrazek, Jr.

## CHAPLAIN

*To be colonel*

Mariano Vassallo

## TEMPORARY APPOINTMENT IN THE ARMY OF THE UNITED STATES

*To be major generals*

Robert Chauncey Macon  
 James Pratt Hodges  
 Benjamin Franklin Giles  
 Archibald Vincent Arnold  
 William Samuel Rumbough

Uzal Girard Ent  
 Lyman Louis Lemnitzer  
 Frank Seymoure Ross  
 John Wilson O'Daniel  
 Walter Leo Weible  
 William Benjamin Kean  
 William Frederic Marquat  
 Joseph Cowles Mehaffey  
 Henry Benton Saylor  
 Robert Boyd Williams  
 George Lane Van Deusen  
 Archer Lynn Lerch  
 Earle Everard Partridge  
 Ralph Hudson Wooten  
 Maxwell Davenport Taylor

*To be brigadier generals*

George Douglas Wahl  
 Alfred August Kessler, Jr.  
 Clesen Henry Tenney  
 Herbert Bishop Thatcher  
 Francis William Farrell  
 Paul Fralley Yount  
 John Paul Ratay  
 William Milton Gross  
 Reuben Ellis Jenkins  
 Donald Robert Hutchinson  
 Clinton Dermott Vincent  
 James Somers Stowell  
 Egmont Francis Koenig  
 Julius Kahn Lacey  
 James Edward Morrisette  
 Charles Henry Caldwell  
 Claude Birkett Ferenbaugh  
 Alexander Mitchell Owens  
 Clark Louis Ruffner  
 George Burgess Foster, Jr.  
 Charles Stricklen Shadle  
 Robert Marks Bathurst  
 Richard Condie Sanders  
 Walter Gilbert Layman  
 William Weston Bessell, Jr.  
 Edwin Britian Howard  
 Henry Cheesman Dooling  
 Philip Gilstrap Bruton  
 James Malcolm Lewis  
 Howard McMath Turner  
 William Herschel Middleswart  
 John Halliday McCormick  
 Edmund Clarence Langmead  
 Arthur Arnm White  
 LeRoy Judson Stewart  
 Carl Conrad Bank  
 Harold Chittenden Mandell  
 Andrew Jackson McFarland  
 Ernest Joseph Dawley  
 James Wayne McCauley  
 Miles Reber  
 Frank Andrew Henning  
 Donald Prentice Booth  
 Ralph Godwin DeVoe  
 John DeForest Barker  
 Hugh Williamson Rowan  
 Nicholas Hamner Cobbs  
 James Hobson Stratton  
 Harry Benham Sherman  
 Royden Eugene Beebe, Jr.  
 Isaac Davis White  
 Edwin Albert Zundel  
 Charles White Lawrence  
 George Senseny Eyster  
 Frank Fort Everest  
 Homer Caffee Brown  
 Joseph Smith  
 Rex Eugene Chandler  
 Jarred Vincent Crabb  
 Lelf John Sverdrup  
 Victor Emile Bertrandias  
 Lawrence George Fritz

## POSTMASTERS

## ALASKA

Crystal S. Jenne, Juneau.

## IDAHO

Lawrence A. Gillett, Declo.  
 Jessie W. Wilson, Weippe.

## MINNESOTA

Alma H. Hoff, Dalton.



## REJECTION

Executive nomination rejected by the Senate June 21 (legislative day of May 9), 1944:

POSTMASTER  
MISSOURI

Raymond E. McCanse, Mount Vernon.

## HOUSE OF REPRESENTATIVES

WEDNESDAY, JUNE 21, 1944

The House met at 10 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Thou our everlasting portion, so dwell in our minds and hearts that there can be no ease other than that in the unalterable performance of duty. He who bears himself faithfully in the discharge of his obligations can truly claim to keep life's rendezvous. Lead us on, for there is no higher commission available to man than that of serving the forces of sobriety, justice, and godliness. As we must accept judgment in the places we alone are filling, may we as dauntless men and women stand at our posts without fear or vacillation.

As countless of our fellow creatures are moving through the flames of indescribable hardships, may they be armed with unfaltering trust, with vision clear, and unafraid. As terror and blind hate are overbrooding this tortured world, engage us in that faith and unyielding devotion that rise in triumph over all desolation in which civilization is rocking. O have mercy upon our poor, blundering, and pitiful humanity, blinded by its lust for power and the bludgeon of force; deliver it from such illusions and let the teachings of the Holy Bible blaze before the eyes of man: "Turn us again, O Lord of hosts; cause Thy face to shine, and we shall be saved; help us, O God of our salvation, for the glory of Thy name's sake." Amen.

The Journal of the proceedings of yesterday was read and approved.

## MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Shaner, one of its clerks, announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 1232. An act to provide equitable compensation for useful suggestions or inventions by personnel of the Department of the Interior.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4443) entitled "An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1945, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to the amendments of the Senate numbered 27, 40, 53, 63, and 65 to the foregoing bill.

The message also announced that the Senate further insists on its amendment numbered 60 to said bill, agrees to the further conference requested by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. RUSSELL, Mr. HAYDEN, Mr. TYDINGS, Mr. BANKHEAD, Mr. SMITH, Mr. NYE, and Mr. CAPPER to be conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4679) entitled "An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1945, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to the amendments of the Senate numbered 89, 116, 127, 128, 133, 138, 155, 156, 166, 202, and 203 to the foregoing bill.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4183) entitled "An act making appropriations for the fiscal year ending June 30, 1945, for civil functions administered by the War Department, and for other purposes."

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 4879. An act making appropriations for war agencies for the fiscal year ending June 30, 1945, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. McKELLAR, Mr. GLASS, Mr. HAYDEN, Mr. TYDINGS, Mr. RUSSELL, Mr. NYE, Mr. HOLMAN, and Mr. BROOKS to be the conferees on the part of the Senate.

## EXTENSION OF REMARKS

Mr. EATON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an address by my colleague the gentleman from New Jersey [Mr. AUCHINCLOSS].

The SPEAKER. Without objection, it is so ordered.

There was no objection.

## LIQUOR PRODUCTION

Mr. BRYSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. BRYSON. Mr. Speaker, yesterday as guests of the War Department, Members of Congress were permitted to witness the showing of the invasion of our troops on D-day in France as portrayed by an untouched moving picture. As we watched our men of great courage walk boldly into the very jaws of death we did not realize at that moment

W. P. B. was releasing the restrictions from intoxicating liquors so that 50,000,000 gallons would be made available for beverage purposes. This action on the part of W. P. B. presents a strange paradox.

Yesterday we appropriated additional moneys for continuation of the guayule rubber program, evidently so that grain now being used for the manufacture of alcohol could be used for needed human consumption. Lately we appropriated additional billions of dollars for the U. N. R. A. program, thus providing for the feeding of liberated people. Surely the use of necessary food materials for the manufacture of intoxicating liquors is tragic when there is such a great need for food to keep soul and body together.

What helpful contribution liquor has, is, and will make to the war program is difficult to see. In an English cocktail lounge a high-ranking Army officer, not there for prayer, is said to have divulged the vital secret of our invasion day. Our Military Affairs Committee has just revealed in an exhaustive report the reprehensible conduct on the part of a high-ranking Army officer and an erstwhile citizen of Germany as they indulged in the use of intoxicating liquors.

The people for whom I have the privilege of speaking regret and condemn the appropriation of essential substances so sorely needed to sustain life and necessary for the successful prosecution of the war to be used in the manufacture of liquor.

I urge that hearings be forthwith resumed on H. R. 2082, which is very similar in its terms to a bill that became a law during World War No. 1, providing for wartime prohibition. Congress should not recess until action is taken on this vital matter.

The SPEAKER. The time of the gentleman has expired.

## EXTENSION OF REMARKS

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD on two different matters: first to include an editorial which appeared in the Lynn Telegram-News of Lynn, Mass., and, secondly, to include a radio address I delivered on Sunday last at Boston.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. DEWEY. Mr. Speaker, I ask unanimous consent to have printed in the Appendix of the RECORD a speech by Lord Keynes on the international monetary fund made in the House of Lords on May 23, 1944.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mrs. BOLTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and to include therein a talk I gave in Cleveland on Father's Day.

The SPEAKER. Without objection, it is so ordered.

There was no objection.